AUSTRALIA

TWENTY-EIGHTH PARLIAMENT

FIRST SESSION: FIRST PERIOD

Governor-General

His Excellency the Right Honourable Sir Paul Meernaa Caedwalla Hasluck, a member of Her Majesty’s Most Honourable Privy Council, Knight Grand Cross of the Most Distinguished Order of Saint Michael and Saint George, Knight Grand Cross of the Royal Victorian Order, Knight of the Most Venerable Order of the Hospital of Saint John of Jerusalem, Governor-General and Commander-in-Chief in and over the Commonwealth of Australia from 30 April 1969.

First Whitlam Ministry

(From 5 December to 18 December 1972)

Prime Minister
Minister for Foreign Affairs
Minister for External Territories
Treasurer
Attorney-General
Minister for Customs and Excise
Minister for Trade and Industry
Minister for Education and Science
Minister for Shipping and Transport
Minister for Civil Aviation
Minister for Housing
Minister for Works
Minister for the Environment, Aborigines and the Arts

Minister for Defence
Minister for the Navy
Minister for the Army
Minister for Air
Minister for Supply
Postmaster-General
Minister for Labour and National Service
Minister for Immigration
Minister for Social Services
Minister for Repatriation
Minister for Health
Minister for Primary Industry
Minister for National Development
Minister for the Interior

The Honourable Edward Gough Whitlam, Q.C.

The Honourable Lance Herbert Barnard

Second Whitlam Ministry

(From 19 December 1972)

Prime Minister and Minister for Foreign Affairs
Deputy Prime Minister, Minister for Defence, Minister for the Navy, Minister for the Army, Minister for Air and Minister for Supply
Minister for Overseas Trade and Minister for Secondary Industry
Minister for Social Security
Treasurer
Attorney-General, Minister for Customs and Excise and Leader of the Government in the Senate
Special Minister of State, Vice-President of the Executive Council, Minister assisting the Prime Minister and Minister assisting the Minister for Foreign Affairs
Minister for the Media
Minister for Northern Development

The Honourable Edward Gough Whitlam, Q.C.
The Honourable Lance Herbert Barnard

The Honourable James Ford Cairns

The Honourable William George Hayden

The Honourable Frank Cren

Senator the Honourable Lionel Keith Murphy, Q.C.

Senator the Honourable Donald Robert Willessee

Senator the Honourable Douglas McClelland

The Honourable Rex Alan Patterson
Australia

Minister for Repatriation and Minister assisting the Minister for Defence
Minister for Services and Property and Leader of the House
Minister for Labour
Minister for Urban and Regional Development
Minister for Transport and Minister for Civil Aviation
Minister for Education
Minister for Tourism and Recreation and Minister assisting the Treasurer
Minister for Works
Minister for Primary Industry
Minister for Aboriginal Affairs
Minister for Minerals and Energy
Minister for Immigration
Minister for Housing
Minister for the Capital Territory and Minister for the Northern Territory
Postmaster-General
Minister for Health
Minister for the Environment and Conservation
Minister for Science and Minister for External Territories

Senator the Honourable Reginald Bishop
The Honourable Frederick Michael Daly
The Honourable Clyde Robert Cameron
The Honourable Thomas Uren
The Honourable Charles Keith Jones
The Honourable Kim Edward Beazley
The Honourable Francis Eugene Stewart
Senator the Honourable James Luke Cavanagh
Senator the Honourable Kenneth Shaw Wriedt
The Honourable Gordon Munro Bryant, E.D.
The Honourable Reginald Francis Xavier Connor
The Honourable Albert Jaime Grassby
The Honourable Leslie Royston Johnson
The Honourable Keppel Earl Enderby
The Honourable Lionel Frost Bowen
The Honourable Douglas Nixon Everingham
The Honourable Moses Henry Cass
The Honourable William Lawrence Morrison

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MEMBERS OF THE HOUSE OF REPRESENTATIVES

TWENTY-EIGHTH PARLIAMENT—FIRST SESSION: FIRST PERIOD

Speaker—The Honourable James Francis Cope

Leader of the House—The Honourable Frederick Michael Daly

Chairman of Committees—Gordon Glen Denton Scholes


Leader of the Opposition—The Right Honourable Billy Mackie Snedden, Q.C.

Deputy Leader of the Opposition—The Honourable Phillip Reginald Lynch

Leader of the Australian Country Party—The Right Honourable John Douglas Anthony

Deputy Leader of the Australian Country Party—The Honourable Ian McCahon Sinclair

Adermann, Albert Evan

Anthony, Rt Hon. John Douglas

Armitage, John Lindsay

Ashley-Brown, Alfred

Barnard, Hon. Lance Herbert

Beazley, Hon. Kim Edward

Bennett, Adrian Frank

Berinson, Joseph Max

Birrell, Frederick Ronald

Bonnett, Robert Noel

Bourchier, John William

Bowen, Hon. Lionel Frost

Bowen, Hon. Nigel Herbert, Q.C.

Bryant, Hon. Gordon Munro, E.D.

Bury, Hon. Leslie Harry Ernest

Cairns, Hon. James Ford

Calder, Stephen Edward, D.F.C.

Cameron, Hon. Clyde Robert

Cameron, Donald Milner

Cass, Hon. Moses Henry

Chipp, Hon. Donald Leslie

Coates, John

Cohen, Barry

Collard, Frederick Walter

Connor, Hon. Reginald Francis Xavier

Cooke, Nelson Marshall

Cope, Hon. James Francis

Corbett, James

Cramer, Hon. Sir John Oscar

Cran, Hon. Frank

Cross, Manfred Douglas

Daly, Hon. Frederick Michael

Davies, Ronald

Doyle, Francis Edward

Drummond, Peter Hertford

Drury, Edward Nigel, C.B.E.

Duthie, Gilbert William Arthur

Edwards, Harold Raymond

Enderby, Hon. Keppel Earl

England, John Armstrong, E.D.

Erwin, Hon. George Dudley

Everingham, Hon. Douglas Nixon

Fairbairn, Hon. David Eric, D.F.C.

Fisher, Peter Stanley

FitzPatrick, John

Forbes, Dr the Hon. Alexander James, M.C.

Fox, Edmund Maxwell Cameron, C.B.E.

Fraser, Hon. John Malcolm

Fulton, William John

Garland, Hon. Ransley Victor

Garrick, Horace James

Giles, Geoffrey O'Halloran

Gorton, Rt Hon. John Grey, C.H.

Graham, Bruce William

Grassby, Hon. Albert Jaime
Members of the House of Representatives

Gun, Richard Townsend ................................................... Kingston (S.A.)
Hallett, John Mead .......................................................... Canning (W.A.)
Hamer, David John, D.S.C. ................................................. Issacs (Vic.)
Hansen, Brendan Percival ................................................. Wiie (Qld)
Hayden, Hon. William George .......................................... Oxley (Qld)
Hewson, Henry Arthur ..................................................... McMillan (Vic.)
Holten, Hon. Rendle McNeallage ....................................... Indi (Vic.)
Hunt, Hon. Ralph James Dunnet ......................................... Gwydir (N.S.W.)
Hurford, Christopher John ................................................ Adelaide (S.A.)
Innes, Urquhart Edward ................................................... Melbourne (Vic.)
Jacobi, Ralph ........................................................................ Hawker (S.A.)
James, Albert William .......................................................... Hunter (N.S.W.)
Jarman, Alan William ............................................................ Deakin (A.C.T.)
Jenkins, Henry Alfred ........................................................... Scullin (Vic.)
Johnson, Leonard Keith ...................................................... Burke (Vic.)
Johnson, Hon. Leslie Royston ............................................... Hughes (N.S.W.)
Jones, Hon. Charles Keith .................................................... Newcastle (N.S.W.)
Katter, Hon. Robert Cummin ................................................. Kennedy (Qld)
Keating, Paul John ................................................................ Blaxland (N.S.W.)
Kelly, Hon. Charles Robert .................................................. Wakefield (S.A.)
Keogh, Leonard Joseph .......................................................... Bowman (Qld)
Kerr, John Charles ............................................................... Macarthur (N.S.W.)
Killen, Hon. Denis James ....................................................... Moreton (Qld)
King, Hon. Robert Shannon .................................................. Wimmera (Vic.)
Klugman, Richard Emanuel ................................................. Prospect (N.S.W.)
Lamb, Antony Hamilton ....................................................... La Trobe (Vic.)
Lloyd, Bruce ......................................................................... Murray (Vic.)
Luchetti, Anthony Sylvester ................................................. Macquarie (N.S.W.)
Lucock, Philip Ernest, C.B.E. ................................................. Lyne (N.S.W.)
Lynch, Hon. Phillip Reginald ............................................... Flinders (Vic.)
MacKellar, Michael John Randal ........................................... Warringah (N.S.W.)
Maisey, Donald William ...................................................... Moore (W.A.)
Martin, Vincent Joseph .......................................................... Banks (N.S.W.)
Mathews, Charles Race Thorson ........................................... Casey (Vic.)
McKenzie, David Charles .................................................... Diamond Valley (Vic.)
McLeay, Hon. John Eiden ..................................................... Boothby (S.A.)
McMahon, Rt Hon. William, C.H. ......................................... Lowe (N.S.W.)
McVeigh, Daniel Thomas ..................................................... Darling Downs (Qld)
Morris, Peter Frederick ....................................................... Shortland (N.S.W.)
Morrison, Hon. William Lawrence ......................................... St George (N.S.W.)
Mulder, Allan William ........................................................... Evans (N.S.W.)
Nicholls, Martin Henry ....................................................... Bonython (S.A.)
Nixon, Hon. Peter James ..................................................... Gippsland (Vic.)
O'Keefe, Frank Lionel ............................................................. Paterson (N.S.W.)
Oldmeadow, Maxwell Wilkinson .......................................... Holt (Vic.)
Olley, Frank ......................................................................... Hume (N.S.W.)
Patterson, Hon. Rex Alan ..................................................... Dawson (Qld)
Peacock, Hon. Andrew Sharp ............................................... Kooyong (Vic.)
Reynolds, Leonard James .................................................... Barton (N.S.W.)
Riordan, Joseph Martin ......................................................... Phillip (N.S.W.)
Robinson, Eric Laidlaw ......................................................... McPherson (Qld)
Robinson, Hon. Ian Louis .................................................... Cowper (N.S.W.)
Scholes, Gordon Glen Denton ................................................ Corio (Vic.)
Sherry, Raymond Henry ...................................................... Franklin (Tas.)
Sinclair, Hon. Ian McCahan ................................................ New England (N.S.W.)
Snedden, Rt Hon. Billy Mackie, Q.C. .................................... Bruce (Vic.)
Staley, Anthony Allan ............................................................ Chisholm (Vic.)
Stewart, Hon. Francis Eugene ................................................. Lang (N.S.W.)
Street, Hon. Anthony Austin ................................................ Corangamite (Vic.)
Thorburn, Ray William .......................................................... Cook (N.S.W.)
Turner, Henry Basil ............................................................... Bradfield (N.S.W.)
Uren, Hon. Thomas .............................................................. Reid (N.S.W.)
Viner, Robert Ian ..................................................................... Stirling (W.A.)
Wallis, Laurie George .............................................................. Grey (S.A.)
Wentworth, Hon. William Charles ........................................ Mackellar (N.S.W.)
Whan, Robert Bruce ............................................................. Eden-Monaro (N.S.W.)
Whitlam, Rt Hon. Edward Gough, Q.C. ................................ Werrigal (S.W.)
Whittorn, Raymond Harold, C.B.E. ...................................... Balclay (Vic.)
Willis, Ralph .......................................................................... Gelibrand (Vic.)
Wilson, Ian Bonython Cameron ............................................. Sturt (S.A.)
THE COMMITTEES OF THE SESSION

(FIRST SESSION—FIRST PERIOD)

STANDING COMMITTEES

ABORIGINAL AFFAIRS—Mr Cross (Chairman), Mr Ashley-Brown, Mr Collard, Mr FitzPatrick, Mr Hunt, Mr Jarman, Mr Peacock, Mr Thorburn, Mr Wentworth.

ENVIRONMENT AND CONSERVATION—Dr Jenkins (Chairman), Mr Bourchier, Mr Fox, Mr Kerin, Mr Lamb, Mr Ian, Robinson, Mr Sherry.

HOUSE—Mr Speaker, Mr Berinson, Mr Bourchier, Mr Cooke, Mr Hansen, Dr Jenkins, Mr Katter.

LIBRARY—Mr Speaker, Mr Cross, Mr Erwin, Dr Forbes, Dr Klugman, Mr Luchetti, Mr O'Keefe.

PRIVILEGES—Mr Donald Cameron, Mr Collard, Mr Crean, Mr Drury, Mr Enderby, Mr Garland, Mr Lucock, Mr Scholes, Mr Whitlam.

PUBLICATIONS—Mr McKenzie (Chairman), Mr Erwin, Mr Graham, Mr King, Mr Lamb, Mr Mathews, Mr Morris.

STANDING ORDERS—Mr Speaker (Chairman), the Chairman of Committees, the Leader of the House, the Deputy Leader of the Opposition, Mr Anthony, Mr Bryant, Mr Duthie, Mr Fox, Mr Garland, Mr Lucock, Mr Whitlam.

JOINT STATUTORY COMMITTEES

BROADCASTING OF PARLIAMENTARY PROCEEDINGS—Mr Speaker (Chairman), The President, Senator Hannan, Senator O'Byrne (to 1 June), Senator Poke (from 1 June), and Mr Donald Cameron, Mr Coates, Mr Duthie, Mr England, Mr Sherry.

PUBLIC ACCOUNTS—Mr Hurford (Chairman), Senator Fitzgerald, Senator Guilfoyle, Senator McAuliffe, and Mr Adermann (from 5 June), Mr Collard, Mr Jarman, Mr MacKellar, Mr Martin, Mr Reynolds, Mr Ian Robinson (to 5 June).

PUBLIC WORKS—Mr Fulton (Chairman), Senator Georges, Senator Jessop, Senator Poyser, and Mr Corbett, Mr Keith Johnson, Mr Kelly, Mr Keogh, Mr Whittorn.

JOINT COMMITTEES

AUSTRALIAN CAPITAL TERRITORY—Senator Milliner (Chairman), Senator Devitt, Senator Hannan, Senator Marriott, and Mr Cooke, Mr Hallett, Mr Kerin, Mr Olley, Mr Whan.

FOREIGN AFFAIRS AND DEFENCE—Senator Wheelon (Chairman), Senator Carrick, Senator Drury, Senator McManus, Senator Maunsell, Senator Milliner, Senator Primmer, Senator Sim, and Mr Berinson, Mr N. H. Bowen, Mr Coates, Mr Cross, Mr Duthie, Dr Forbes, Mr Hamer, Mr Katter, Mr Kerin, Dr Klugman, Mr Luchetti, Mr Lucock, Mr MacKellar, Mr Oldmeadow.

PRICES—Mr Hurford (Chairman), Senator Gietzelt, Senator Guilfoyle, Senator O'Byrne, Senator Prowse, and Mr Garland, Mr Gorton, Mr Nixon, Mr Riordan, Mr Whan, Mr Willis.

SELECT COMMITTEE

ROAD SAFETY—Mr Cohen (Chairman), Mr Drummond (to 3 May), Mr Fox, Mr Hamer (from 3 May), Mr Innes, Mr Katter, Dr Klugman, Mr McKenzie.
PARLIAMENTARY DEPARTMENTS

SENATE
Clerk—J. R. Odgers, C.B.E.
Deputy Clerk—R. E. Bullock, O.B.E.
First Clerk-Assistant—K. O. Bradshaw
Clerk-Assistant—A. R. Cumming Thom
Principal Parliamentary Officer—H. C. Nicholls
Usher of the Black Rod—H. G. Smith

HOUSE OF REPRESENTATIVES
Clerk—N. J. Parkes, O.B.E.
Deputy Clerk—J. A. Pettifer
Clerks-Assistant—D. M. Blake, V.R.D., A. R. Browning
Senior Parliamentary Officers—L. M. Barlin, I. C. Cochran, B. M. Chapman
Serjeant-at-Arms—D. M. Piper

PARLIAMENTARY REPORTING STAFF
Principal Parliamentary Reporter—W. J. Bridgman
Assistant Principal Parliamentary Reporter—K. R. Ingram
Leader of Staff (House of Representatives)—G. R. Fraser
Leader of Staff (Senate)—J. F. Kerr

LIBRARY
Parliamentary Librarian—A. L. Moore, O.B.E.

JOINT HOUSE
Secretary—R. W. Hillyer
THE ACTS OF THE SESSION

(FIRST SESSION: FIRST PERIOD)

Acts Interpretation Act 1973 (Act No. 79 of 1973)—

Agricultural Tractors Bounty Act (No. 2) 1973 (Act No. 57 of 1973)—
An Act to amend the Agricultural Tractors Bounty Act 1966–1972, and for other purposes.

Appropriation Act (No. 3) 1972–73 (Act No. 12 of 1973)—
An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sum appropriated by the Appropriation Act (No. 1) 1972–73, for the service of the year ending on 30 June 1973.

Appropriation Act (No. 4) 1972–73 (Act No. 13 of 1973)—
An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sums appropriated by the Appropriation Act (No. 2) 1972–73, for certain expenditure in respect of the year ending on 30 June 1973.

Appropriation Act (No. 5) 1972–73 (Act No. 38 of 1973)—
An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sum appropriated by the Appropriation Act (No. 1) 1972–73 and the Appropriation Act (No. 3) 1972–73, for the service of the year ending on 30 June 1973.

Appropriation Act (No. 6) 1972–73 (Act No. 39 of 1973)—
An Act to appropriate a sum out of the Consolidated Revenue Fund, additional to the sums appropriated by the Appropriation Act (No. 2) 1972–73 and the Appropriation Act (No. 4) 1972–73, for certain expenditure in respect of the year ending on 30 June 1973.

Australian Capital Territory Representation Act 1973 (Act No. 8 of 1973)—


Australian Electoral Office Act 1973 (Act No. 87 of 1973)—
An Act relating to the administration of electoral laws.

Australian Institute of Marine Science Act 1973 (Act No. 61 of 1973)—
An Act to repeal section 8 of the Australian Institute of Marine Science Act 1972.

Book Bounty Act 1973 (Act No. 40 of 1973)—

Broadcasting and Television Act 1973 (Act No. 30 of 1973)—

Cities Commission Act 1973 (Act No. 41 of 1973)—
An Act to amend the National Urban and Regional Development Authority Act 1972.

Commonwealth Banks Act 1973 (Act No. 18 of 1973)—
An Act to amend the Commonwealth Banks Act 1959–1968 to remove the limitation on the amount of housing loans to individuals.

Commonwealth Electoral Act 1973 (Act No. 7 of 1973)—
An Act to lower to eighteen years the age qualification for enrolment, voting and candidacy for parliamentary elections.

Crimes Act 1973 (Act No. 33 of 1973)—
An Act to amend the Crimes Act 1914–1966 in relation to the deportation of persons from Australia.

Crimes (Protection of Aircraft) Act 1973 (Act No. 34 of 1973)—
An Act to approve ratification by Australian of the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, to give effect to that Convention and to provide for the punishment of unlawful acts of the kinds dealt with by that Convention in certain circumstances in which that Convention does not apply.

Customs Tariff Validation Act 1973 (Act No. 58 of 1973)—
An Act to provide for the validation of collections of duties of Customs under Customs Tariff Proposals.

Defence (Parliamentary Candidates) Act 1973 (Act No. 84 of 1973)—

An Act to provide for retirement and death benefits for certain members of the Defence Force who are indigenous inhabitants of Papua New Guinea.

An Act to make provision for and in relation to a scheme for retirement and death benefits for members of the Defence Force.

Defence Forces Retirement Benefits Act 1973 (Act No. 82 of 1973)—

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An Act to provide for increases in certain Defence Force retirement pensions.

Defence Service Homes Act 1973 (Act No. 31 of 1973)—
An Act to amend the War Service Homes Act 1918–1971.

Evidence Act 1973 (Act No. 80 of 1973)—

Excise Act 1973 (Act No. 24 of 1973)—

Excise Tariff Act 1973 (Act No. 20 of 1973)—
An Act relating to duties of excise on wine.

Excise Tariff Act (No. 2) 1973 (Act No. 23 of 1973)—
An Act to exempt from duties of excise beer produced for non-commercial purposes.

Export Payments Insurance Corporation Act 1973 (Act No. 15 of 1973)—

Grants Commission Act 1973 (Act No. 54 of 1973)—
An Act to establish a Grants Commission to make recommendations concerning the granting of financial assistance to the States in certain circumstances.

Housing Agreement Act 1973 (Act No. 43 of 1973)—
An Act relating to financial assistance to the States for the purpose of housing.

Housing Assistance Act 1973 (Act No. 30 of 1973)—
An Act to grant financial assistance to the States by way of loans for the purpose of commencing the erection of additional houses in the financial year ending on 30 June 1973.

Income Tax Assessment Act 1973 (Act No. 51 of 1973)—
An Act to amend the law relating to income tax.

Income Tax Assessment Act (No. 2) 1973 (Act No. 52 of 1973)—
An Act to amend the law relating to income tax.

Income Tax Assessment Act (No. 3) 1973 (Act No. 53 of 1973)—
An Act to amend the law relating to income tax in relation to reviews and appeals.

Income Tax (International Agreements) Act 1973 (Act No. 11 of 1973)—

Insurance Act 1973 (Act No. 76 of 1973)—
An Act relating to insurance.

Insurance (Deposits) Act 1973 (Act No. 77 of 1973)—

Interim Forces Benefits Act 1973 (Act No. 5 of 1973)—

International Labour Organisation Act 1973 (Act No. 62 of 1973)—
An Act relating to the constitution of the International Labour Organisation.

King Island Harbour Agreement Act 1973 (Act No. 91 of 1973)—
An Act relating to an agreement between the Commonwealth and the State of Tasmania in respect of financial assistance for port and harbour facilities at Little Grass Bay, King Island.

Life Insurance Act 1973 (Act No. 78 of 1973)—

Loan Act 1973 (Act No. 19 of 1973)—
An Act to authorise the raising and expending of moneys for defence purposes.

Marriage Act 1973 (Act No. 35 of 1973)—

Maternity Leave (Australian Government Employees) Act 1973 (Act No. 72 of 1973)—
An Act to make provision for maternity leave in respect of employees of the Australian Government and certain other persons, and for other purposes.

Migration Act 1973 (Act No. 16 of 1973)—
An Act to amend the Migration Act 1958–1966 for the purpose of removing restrictions on the departure of Aboriginals from Australia.

National Health Act 1973 (Act No. 49 of 1973)—

National Service Termination Act 1973 (Act No. 88 of 1973)—
An Act to terminate the obligations of persons under the National Service Act 1951–1971, and for purposes related thereto.

New South Wales Grant (Flood Mitigation) Act 1973 (Act No. 28 of 1973)—
An Act to amend section 3 of the New South Wales Grant (Flood Mitigation) Act 1971.
The Acts of the Session

Northern Territory (Administration) Act 1973 (Act No. 9 of 1973)—
An Act to amend the Northern Territory (Administration) Act 1910–1972 so as to lower to eighteen years the age qualification for a candidate for election as a member of the Legislative Council for the Northern Territory of Australia, and to make certain formal amendments of that Act.

Papua New Guinea Act 1973 (Act No. 69 of 1973)—

An Act to provide for the giving of a guarantee by the Commonwealth with respect to a loan to be raised overseas by the Administration of Papua New Guinea, and for purposes connected therewith.

An Act relating to a loan to the Administration of Papua New Guinea by the Asian Development Bank.

Papua New Guinea (Staffing Assistance) Act 1973 (Act No. 70 of 1973)—
An Act relating to the provision by Australia of staffing assistance for Papua New Guinea and preservation of rights of certain persons presently employed in Papua New Guinea.

Parliamentary and Judicial Retiring Allowances Act 1973 (Act No. 47 of 1973)—
An Act relating to parliamentary and judicial retiring allowances.

Petroleum (Submerged Lands) Act 1973 (Act No. 36 of 1973)—
An Act to amend the Petroleum (Submerged Lands) Act 1967–1968, and for other purposes.

Pipeline Authority Act 1973 (Act No. 42 of 1973)—
An Act to establish a Pipeline Authority.

Prices Justification Act 1973 (Act No. 37 of 1973)—
An Act to make provision for the holding of inquiries into prices charged or proposed to be charged for the supply of goods or services in Australia.

Public Service Act 1973 (Act No. 21 of 1973)—
An Act relating to recreation leave in the Public Service of the Commonwealth.

Public Service Act (No. 2) 1973 (Act No. 71 of 1973)—

Public Service Act (No. 3) 1973 (Act No. 73 of 1973)—
An Act to repeal section 54a of the Public Service Act 1922–1972, as amended by the Public Service Act 1973 and by the Public Service Act (No. 2) 1973.

Remuneration and Allowances Act 1973 (Act No. 14 of 1973)—
An Act relating to the remuneration and allowances payable to members of the Parliament, Ministers of State, Justices of the High Court, Judges of Courts created by the Parliament, Permanent Heads of Departments of the Public Service and the holders of certain offices or appointments.

Repatriation Act 1973 (Act No. 2 of 1973)—
An Act to amend the Repatriation Act 1920–1972 so as to provide for increases in the rates of certain pensions payable to certain persons, and for other repatriation purposes, and to appropriate the Consolidated Revenue Fund for the purpose of certain payments resulting from those amendments.

Repatriation Act (No. 2) 1973 (Act No. 27 of 1973)—

Repatriation (Far East Strategic Reserve) Act 1973 (Act No. 4 of 1973)—
An Act to amend the Repatriation (Far East Strategic Reserve) Act 1956–1972 to make provision with respect to benefits for certain dependants.

Repatriation (Special Overseas Service) Act 1973 (Act No. 3 of 1973)—
An Act to amend the Repatriation (Special Overseas Service) Act 1962–1972 to make provision with respect to benefits for certain dependants.

Sales Tax (Exemptions and Classifications) Act 1973 (Act No. 17 of 1973)—
An Act relating to exemption from sales tax of contraceptives, and of parts and accessories for the metric conversion of equipment.

Seamen's War Pensions and Allowances Act 1973 (Act No. 6 of 1973)—

Snowy Mountains Engineering Corporation Act 1973 (Act No. 74 of 1973)—

Social Services Act 1973 (Act No. 1 of 1973)—
An Act relating to social services.

Social Services Act (No. 2) 1973 (Act No. 26 of 1973)—

Social Services Act (No. 3) 1973 (Act No. 48 of 1973)—
The Acts of the Session

South Australian Grant (Lock to Kimba Pipeline) Act 1973 (Act No. 75 of 1973)—
An Act to grant financial assistance to the State of South Australia in connection with the construction of a pipeline from Lock to Kimba and of certain associated works.


States Grants (Housing) Act 1973 (Act No. 44 of 1973)—
An Act to amend the States Grants (Housing) Act 1971.

States Grants (Housing Assistance) Act 1973 (Act No. 45 of 1973)—
An Act to make advances to the States of financial assistance in connection with housing and to authorise the borrowing of certain moneys by the Commonwealth.


States Grants (Universities) Act (No. 2) 1973 (Act No. 60 of 1973)—
An Act to grant financial assistance to the States for the purpose of assistance to students in need at universities in the year 1973.

An Act to grant financial assistance to the States in connection with the measurement and investigation of their water resources.

Stevedoring Industry Charge Act 1973 (Act No. 55 of 1973)—


Superannuation Act 1973 (Act No. 46 of 1973)—
An Act to provide for annual increases in certain superannuation pensions.

Superannuation Act (No. 2) 1973 (Act No. 83 of 1973)—

Supply Act (No. 1) 1973–74 (Act No. 89 of 1973)—
An Act to make interim provision for the appropriation of moneys out of the Consolidated Revenue Fund for the service of the year ending on 30 June 1974.

Supply Act (No. 2) 1973–74 (Act No. 90 of 1973)—
An Act to make interim provision for the appropriation of moneys out of the Consolidated Revenue Fund for certain expenditure in respect of the year ending on 30 June 1974.

Wool Industry Act 1973 (Act No. 63 of 1973)—
An Act to amend the Wool Industry Act 1972.

Wool Tax Acts (Nos. 1 to 5) 1973 (Acts Nos. 64, 65, 66, 67 and 68 of 1973)—
Acts to amend section 5 of the Wool Tax Act (No. 1) 1964, section 5 of the Wool Tax Act (No. 2) 1964, section 5 of the Wool Tax Act (No. 3) 1964, section 5 of the Wool Tax Act (No. 4) 1964, and section 5 of the Wool Tax Act (No. 5) 1964.
THE BILLS OF THE SESSION

(FIRST SESSION—FIRST PERIOD)

Agricultural Tractors Bounty Bill 1973—

Atomic Energy Bill 1973—
Initiated in the House of Representatives. Second Reading.

Australian Capital Territory Representation (House of Representatives) Bill 1973—
Passed by the House of Representatives. Amended by the Senate. Returned to the House of Representatives.

Australian Citizenship Bill 1973—
Passed by the House of Representatives. Amended by the Senate. Returned to the House of Representatives.

Australian National Airlines Bill 1973—
Passed by the House of Representatives. Amended by the Senate. Returned to the House of Representatives.

Australian National University Bill 1973—
Initiated in the House of Representatives. Second Reading.

Commonwealth Electoral Bill (No. 2) 1973—
Passed by the House of Representatives. Not returned from the Senate (Second reading negatived).

Commonwealth Teaching Service Bill 1973—
Initiated in the House of Representatives. Second Reading.

Compensation (Commonwealth Employees) Bill 1973—
Passed by the House of Representatives. Not returned from the Senate.

Compensation (Incas) Bill 1973—
Passed by the House of Representatives. Not returned from the Senate (Second reading negatived).

Defence (Re-establishment) Bill 1973—
Initiated in the House of Representatives. Second Reading.

Export Incentive Grants Bill 1973—
Initiated in the House of Representatives. Second Reading.

Film and Television School Bill 1973—
Initiated in the House of Representatives. Second Reading.

Medical Practice Clarification Bill 1973—
Initiated in the House of Representatives. Second reading negatived. (Private Member's Bill).

Parliamentary Proceedings Broadcasting Bill 1973—
Initiated in the Senate. Second Reading.

Pay-roll Tax Assessment Bill 1973—
Initiated in the House of Representatives. Second Reading.

Privy Council Appeals Abolition Bill 1973—
Initiated in the House of Representatives. Second Reading.

Privy Council (Appeals from the High Court) Bill 1973—
Initiated in the House of Representatives. Second Reading.

Representation Bill 1973—
Passed by the House of Representatives. Not returned from the Senate (Second reading negatived).

Royal Style and Titles Bill 1973—
Initiated in the House of Representatives. Second Reading.

Rules Publication Bill 1973—
Initiated in the House of Representatives. Second Reading.

Seas and Submerged Lands Bill 1973—
Passed by the House of Representatives. Not returned from the Senate.

Seas and Submerged Lands (Royalty on Minerals) Bill 1973—
Passed by the House of Representatives. Not returned from the Senate.

Senate (Representation of Territories) Bill 1973—
Passed by the House of Representatives. Not returned from the Senate (Second reading negatived).

States Grants (Advanced Education) Bill 1973—
Passed by the House of Representatives. Amended by the Senate. Returned to the House of Representatives.

States Grants (Universities) Bill 1973—
Passed by the House of Representatives. Amended by the Senate. Returned to the House of Representatives.
The Bills of the Session

Wine Grapes Charges Bill 1973—
Initiated in the House of Representatives. Second Reading.

Wine Overseas Marketing Bill 1973—
Initiated in the House of Representatives. Second Reading.

Young Couples' Home Assistance Bill 1973—
Initiated in the House of Representatives. Second reading negatived. (Private Member's Bill).
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Adjournment
  National Anthem for Australia - Abortion - Education: Australian Schools Commission - Teacher Training

QUESTIONS IN WRITING
Answers To Questions Upon Notice
  Immigration: Papua New Guinea Residents (Question No. 83)
  Commonwealth Departments and Authorities: Accommodation (Question No. 174)
  Dental Treatment (Question No. 433)
  Civil Aviation: Western Australian Airports (Question No. 482)
Wednesday, 16 May 1973

Mr SPEAKER (Hon. J. F. Cope) took the chair at 11 a.m., and read prayers.

PETITIONS

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate Ministers:

Abortion

To the Honourable the Speaker and the members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully sheweth:

That grave concern is felt at the imminent introduction into the Commonwealth Parliament of legislation to permit abortion on demand.

Your petitioners most humbly pray that the House of Representatives in Parliament assembled should not admit into the laws of this land a principle which violates a fundamental right—the right to life.

And your petitioners, as in duty bound, will ever pray.

by Mr Grassby, Dr Everingham, Mr Adermann, Mr Armitage, Mr Donald Cameron, Mr Cooke, Mr Corbett, Sir John Cramer, Mr Drummond, Mr Fulton, Mr Kelly, Mr King, Mr Lamb, Mr Lloyd, Mr McVeigh, Mr O'Keefe, Mr Eric Robinson and Mr Viner.

Petitions received.

Abortion

To the Honourable the Speaker and members of the House of Representatives in Parliament assembled. The petition of the undersigned respectfully sheweth:

1. That Australian citizens place great value on the sanctity of human life and the physical, mental and social welfare of mothers and children.

2. That we are deeply concerned to preserve throughout Australia the law's protection of human life from the moment of conception.

3. That proposals to change the law to allow abortion on demand and the termination of pregnancy for non-medical reasons are unacceptable to the people of Australia.

Your petitioners therefore humbly pray that the Honourable House will not extend the laws governing abortion and will uphold the right to life of the unborn child.

And your petitioners, as in duty bound, will ever pray.

by Sir John Cramer.

Petition received.

Abortion

To the Honourable the Speaker and members of the House of Representatives in Parliament assembled. The petition of the undersigned citizens of the Commonwealth humbly sheweth:

That the undersigned believe that,

1. The duty of Government is to give legal protection to human life before, as well as after birth. We ask that legal protection be given to the unborn child.

2. Recourse to abortion lessens respect for human life in the community. We stand firmly against the present attempt to change legislation on abortion.

3. The responsibility of Government for the welfare of all citizens demands adequate social assistance programs for women contemplating recourse to an abortion.

Your petitioners most humbly pray that the House of Representatives in Parliament assembled should maintain the existing laws covering Abortion and your petitioners as in duty bound will ever pray.

by Mr Grassby.

Petition received.
Australian Flag
To the Honourable the Speaker and members of the House of Representatives in Parliament assembled. The petition of the undersigned citizens of the Commonwealth humbly sheweth:
That the undersigned believe that,
1. The present Australian Flag adequately represents the history, traditions and symbols of this country.
2. The majority of the Australian electors have no wish to see the present flag replaced.
Your petitioners therefore humbly pray that the House of Representatives in Parliament assembled should maintain existing laws covering the Australian Flag and your petitioners as in duty bound, will ever pray.
by Mr Drury.
Petition received.

Second Major Airport for Melbourne
To the Honourable the Speaker and members of the House of Representatives in Parliament assembled. The petition of the undersigned electors of the Division of Flinders respectfully sheweth:
That concern is felt by electors in the said Division at the prospect of a second major airport to serve Melbourne being constructed in the area south of the Princes Highway and embracing Clyde, Cardinia and Tooradin Districts because:
1. The living conditions of residents would be detrimentally affected by
   (a) the invasion of privacy and peace, both day and night;
   (b) the pollution caused by the jet aircraft using the airport and also by industries established to serve the airport; and
   (c) the ear-assaulting noise of the aircraft which would use airport.
2. The livelihood of residents would be adversely affected by
   (a) a decrease in the value of real estate on the fringe of the airport;
   (b) the emission of air-oxidants, known to affect crop yield and quality, from the jet aircraft which would use the airport; and
   (c) the take-over of many viable farms, on some of the most productive agricultural land in Victoria, as the site for the airport itself.
3. The construction of the airport would mean the destruction of the Quail Island sanctuary and other bushlands which provide the ecological environment for native animals and birds.
Your petitioners most humbly pray that the House of Representatives in Parliament assembled will take immediate steps to seek an alternative site for the proposed airport.
by Mr Lynch.
Petition received.

FOREIGN POLICY
Mr DONALD CAMERON—I direct a question to the Prime Minister in his capacity as Minister for Foreign Affairs. I refer to reports about the Minister for Overseas Trade taking certain initiatives which are causing concern within the Department of Foreign Affairs. The suggestion is that the Minister for Overseas Trade is directing foreign policy a little too fast along certain courses. I also refer to the fact that this year we have not had a foreign affairs debate in the Australian Parliament. With the Government fast approaching 200 days in office, I was wondering whether the Prime Minister would assure the House that before we rise for the winter recess he will provide an opportunity for himself to make a statement and for a full debate to take place in the House on that subject?

Mr WHITLAM—One would not expect me to comment on every newspaper speculation. Ministers make trips overseas on itineraries and for purposes which they put to me. It is then up to me to approve the itinerary for the purposes which the Minister has suggested. There is no itinerary or purpose which the Minister for Overseas Trade has put to me which would justify the particular newspaper article upon which the honourable gentleman has based his question. I still hope to make a foreign affairs statement to the Parliament. The time of the Parliament is being taken up by a great number of things which will make it difficult to have a debate on that statement.

Mr Lynch—The Prime Minister is effectively pre-empting that opportunity.

Mr WHITLAM—This is the sort of relevant contribution that we have all come to expect from the honourable gentleman. I want to make such a statement, but I cannot guarantee that I will make it if my making it will displace necessary legislation. I hope there will be a debate on the statement if I make it.

ATOMIC ENERGY: PROPOSED URANIUM ENRICHMENT PLANT
Mr JACOBI—Has the attention of the Minister for Minerals and Energy been drawn to a report in yesterday’s ‘Financial Review’ as to the selection of a site in Queensland for a uranium enrichment plant? In view of our quite large high grade reserves of uranium and the importance of uranium as a fuel source, will the Minister briefly outline his attitude in these areas?

Mr CONNOR—I thank the honourable member for Hawker for his interest in this
matter. One of the main characteristics of the former Government was the introduction of election gimmicks for its political preservation. In the 1969 election campaign it proposed the Jervis Bay reactor. Of course, that was to be an obsolete type of reactor which was to produce plutonium for the dirty bomb. In 1972 the gimmick was to offer each of the States in turn the possibility of providing a site on which could be established a uranium enrichment plant. Let us have a look at the general question of uranium enrichment. In the world today the only known and viable method of uranium enrichment is gaseous diffusion. It is semi-obsolete and costly. Such an enrichment plant would cost $1,500m. We should wait to have a look at the alternative, the gas centrifuge, which can be bought for a fraction of the cost and which would be much more suited to Australian needs. We have plenty of time to wait.

On the general question of uranium I would say this: In a fuel-hungry world Australia is in a very happy position. We possess possibly 40 per cent of the free world’s uranium reserves outside those which are held by the United States of America. Nevertheless, some of that is not recoverable with certainty. We have been confronted with approval for some 6 contracts which were entered into by the former government within a month of the 1972 election. Those contracts in total represent some 11,000 tons of uranium. The contracts are written, of course, in terms of United States dollars.

For the information of the House I may say that a ton of uranium in a fast breeder reactor has an energy equivalent of 2 million tons of black coal. We are now confronted with a further proposal for the export of some 9,760 tons of uranium. This export is to commence mostly in 1976. Again, most of the uranium is to be sold under contracts written in terms of United States dollars. We want to be fair in this situation. We understand the financial problems of some of the uranium miners. But by the same token we have to consult Australia’s total interests. There is a very real need, in a world which is approaching a period of energy diplomacy, resources diplomacy, for Australia to ensure that it is not short-changed in its transactions. We will be pressed very shortly by some of the major powers which have chosen to dissipate their energy resources. We want to match them in equal bargaining terms.

AUSTRALIAN COUNCIL OF TRADE UNIONS ACTION AGAINST FRANCE

Mr LYNCH—My question is addressed to the Prime Minister. In view of the fact that the Australian Council of Trade Unions intends to place a total ban on French planes, shipping, communications and trade from midnight tonight, I ask: Will he exercise effective national leadership for the first time in his period of office and tell the unions to stop meddling in an area of very sensitive Government policy and to refrain from seeking to usurp the role of his Government in foreign affairs? Is he prepared to stand up and be counted on this issue or be counted out, as he has been on other occasions?

Mr WHITLAM—Mr Speaker, last year there were quite a number of trade union boycotts on trade with France. The then Government did not try to do anything about them. One of them was in breach of Australia’s international obligations. It involved the refusal to deliver mail to the French Embassy. The previous Government did nothing about it.

Mr Lynch—It is not true.

Mr WHITLAM—The honourable gentleman says: ‘It is not true’. It is true, and he should know that it is true. Everybody knows that mail was not delivered to the French Embassy. This was in breach of Australia’s international obligations. The honourable member was at that time the Minister for Labour and I think National Service. He should have known something about it. Apparently he did not. If he did know about it, he would not say that it is not true. It is true, and he did nothing about it.

The unions concerned have not decided at this stage to put a ban on mail to the French Embassy. I have informed them in the same terms as I informed members of the Australian Council of Trade Unions Executive yesterday about Australia’s obligations in this regard. Accordingly, for the information of honourable members and of the public, I will read the terms of my communication with members of the ACTU Executive and with relevant officials of the postal unions who, I am told, will be considering this matter in a telephone hookup about 1 o’clock today. The telegram reads:

Australia has claimed in the proceedings which have been brought against France in the International Court of Justice that the conducting by France of
atmospheric nuclear tests in the Pacific is contrary to international law. Especially as a country that has invoked international law against France, Australia must at all times in her relations with France act in accordance with international law.

This does not mean that there is no scope at all for union action against French nuclear tests. But when both Australia and France are parties to particular international agreements we must avoid placing France in a position to bring proceedings before an international tribunal against Australia alleging breach of an obligation that Australia has accepted in relation to France. We must also avoid the possibility that France, in the current proceedings in the ICI, could allege that we are acting in contravention of international law in other respects and are therefore not appearing before the court with clean hands.

I am especially concerned about the following conventions:

1. Vienna convention on diplomatic relations
2. Vienna convention on consular relations

Both Australia and France are parties to and are bound by these conventions.

We must under the Vienna conventions avoid doing anything which would prevent or hinder the proper normal functioning of the French Embassy or the French consulates in the States. This would include the protection of personnel and property as well as the facilitation of official communications.

The universal postal convention imposes on Australia an obligation to forward mails passed to it by the French postal authorities.

As I have said, these are the international conventions that concern us most. I urge you most strongly to assist in ensuring that no action is taken which would involve Australia being in breach of her obligations under international law.

**TELEPHONE SERVICES: ISOLATED AREAS**

Mr WHAN—My question is directed to the Postmaster-General. In view of the high cost involved in providing telephone connections to isolated areas, is the Post Office investigating alternative communication systems for these areas? If so, what progress has been made in developing new technologies in communication?

Mr LIONEL BOWEN—The provision of telephone services to isolated areas has always been a problem for Australia. Because of distance and terrain large financial expenditures are required to provide communication in what are deemed to be remote areas. The honourable member himself would know that there are areas within his electorate which would well fall within this category. At all times the Post Office has had a research team working in this field. It has developed a number of new techniques from time to time.

Some of them involve radio systems, and they are improving so much that we have an excellent one coming into operation, I understand, on a trial basis this year. It would be applicable within a 10 to 50 miles radius of an exchange. Further there is a subscriber cable which can be used where radio is not appropriate. Again I am told that, as a result of research done by the Australian Post Office, what is known as a long line telephone has been developed. Six thousand of them are in the process of being manufactured in Australia and will be available this year. This telephone will give twice the distance efficiency than formerly applied. However the best solution to the problem of remoteness is a satellite, and the Post Office has already encouraged a feasibility survey on the basis that a satellite would be available in this country. I would be hopeful that it could be in situ by no later than about 5 years from the present date.

**TRADE TALKS WITH CHINA**

Mr KATTER—Because my question affects the lives of many, many Australians, I direct it to the Prime Minister. I would ask the honourable gentleman to answer it explicitly and in detail, and thereby of course create a precedent. Will the Prime Minister assure the House and the people of Australia that the Minister for Overseas Trade in his trade talks with officials of the People's Republic of China will not commit Australian exports in a season of short supply exclusively to the Chinese and to the exclusion of all other traditional markets? Does the Prime Minister fully appreciate that in times of normal production and above normal production Australian exporters need access to all world markets? Does the Prime Minister recognise that once a type of export is removed as part of a blend of goods on any export market it can and does take many years to re-establish that commodity in that market?

Mr WHITLAM—The Australian Government is anxious to preserve all overseas markets to which Australia at present enjoys access. We are particularly anxious to recapture the market for wheat in China which the previous Government lost.

**ARMY ORDNANCE DEPOT IN SOUTH AUSTRALIA**

Mr NICHOLLS—I preface my question to the Minister for Defence by stating that in
1951 the Department of the Army made a decision to establish a central ordnance depot in South Australia. For this purpose 312 acres of land was acquired at Elizabeth North. As successive Ministers for the Army have informed this House that the ordnance depot will be established, can the Minister inform the House what is the latest position of this project?

Mr BARNARD—It is true that in 1950 the Army acquired 274 acres of land at Elizabeth to provide an ordnance depot in that area. The need to establish this facility has been recognised by the Army authorities and the matter has been under consideration from time to time. In 1966 the Premier of South Australia wrote to the then Minister for the Army asking for information concerning the provision of the ordnance facilities in that area. He was informed at that time that because of the low relative priority and having regard to other requirements it would not be possible to proceed with this facility before 1971–72. The matter has now been examined again, and it is considered by the Department of the Army that the project could not be proceeded with before the financial year 1976–77. However, in view of the interest that the honourable member has in this matter and because I believe that there is a need to co-ordinate ordnance depots so that those facilities which are now scattered throughout various parts of South Australia are centralised at Elizabeth, I will undertake to have the matter re-investigated and to ascertain whether it is possible to have that date brought forward.

FRENCH NUCLEAR TESTS

Mr SNEDDEN—My question is addressed to the Prime Minister. The Prime Minister will be aware that I have made a statement in this House condemning French atmospheric nuclear tests and that in that view we were bipartisan. The honourable gentleman went to the South Pacific Forum and there he was a signatory to, as I understand it, or at least occurred in, a statement which said that all protests about the tests should be reasonable and practicable. The honourable gentleman agrees with that and so do I. He has today spoken about his concern that Australia should honour international agreements. In particular, he pointed to consular agreements and postal agreements. On that there is a bipartisan attitude. I believe it is most important that Australia should honour its obligations in any field. Therefore I ask: Will the honourable gentleman introduce legislation into the Parliament to make it an offence not only to act in such a way that Australia’s international agreements cannot be honoured by the Government but also to incite that action?

Mr WHITLAM—I must confess that I could not quite get the intention of the honourable gentleman on this matter. I appreciate the fact that the opposition to French nuclear testing in the atmosphere is bipartisan and that he has contributed personally to that view being made known to the French Government. The Government is contemplating legislation—it cannot introduce it this session—which will make it an offence for persons to break international agreements to which Australia is or becomes a party or to incite such breaches. The particular legislation I have in mind is in the racial discrimination field, where it would appear to be necessary for us to use the external affairs power in order to override offensive State legislation. I hope that will be introduced next session. We are anxious to celebrate the 25th anniversary of the Universal Declaration of Human Rights—I think it is to be on 10th December next—by having Australia comply fully with all international conventions in that field.

TELEVISION: QUOTA FOR AUSTRALIAN PRODUCTIONS

Mr MULDER—My question is addressed to the Minister representing the Minister for the Media. Has the Minister seen a report that the Australian Broadcasting Control Board has drawn up a proposed points system quota for Australian television productions to replace the existing unsatisfactory overall blanket quota? Has the points system, as designed by the Board, been published in full or is it necessary under the existing Broadcasting and Television Act first to discuss the matter with station managements before the final details are worked out? Can these details be made public?

Mr MORRISON—The honourable member was quite right when he pointed out that the full details have not been made public. In fact, the Press reports this morning were both premature and far from complete. The Minister for the Media and the Government are seeking to encourage more Australian content in television and radio programs. I am sure that that is a policy in which all members of
this House will concur. The current situation is that the points system devised by the Broadcasting Control Board is under discussion between representatives of the television licensees and the Board. They are expected to meet some time next week. It has been made plain that the proposals are for examination and discussion; they are not inflexible. The points system that finally will be devised and published will be devised and published after consideration and discussion with the licensees.

PRIME MINISTER'S PRESS CONFERENCES

Mr COOKE—My question is directed to the Prime Minister. Yesterday at question time he confessed to the sin of announcing policy decisions to the Press before advising Parliament. Will he, as part of his penance and as evidence of a purpose of amendment, consider changing his Press conferences to Wednesday, Thursday or Friday afternoon? If not, is the House to take it that he has no true contrition, and should it withhold its absolution?

Mr WHITLAM—I receive a great deal of theological advice—not least in the last month. I have made public confession in this respect. I am certain that to understand all is to forgive all. Therefore, I expect that all honourable gentlemen will applaud the practice, which I initiated and intend to follow, of having a weekly Press conference when the Parliament is sitting. It seems that Tuesday afternoon is the most appropriate time for all concerned, and therefore I do not propose to alter that practice. I cannot oblige the honourable gentleman in that respect.

Nevertheless, we are making much more information available to the Parliament in a formal way than ever before. As I mentioned yesterday, there is the regular practice now of tabling in the Parliament the minutes of any Commonwealth-State ministerial meetings. We are hoping, once the Standing Orders Committee can be convened, to press on with the proposal, to which my Party is committed, of having Ministers in each House regularly rostered to answer questions without notice in the other House. We want the Parliament to debate all the things it usefully can debate. I must say, however, that I do not believe it would facilitate the workings of the Parliament for me, on the first day that the House sat after a Cabinet meeting, to make a ministerial state-

men embodying the decisions of the Cabinet. In fact, Parliament has the opportunity of debating every matter which takes the form of legislation. I do not believe that the consideration of legislation is impeded by the public, including members of Parliament, having the ampest warning of the general tenor of it.

HOUSING LOANS BY BUILDING SOCIETIES

Mr BERINSON—I direct a question to the Minister for Housing. Is it a fact that legal and other overhead charges on housing loans by building societies are often $200 or more above the charges on identical loans by banks? If so, what is the justification for the higher charges by the building societies? If there is no adequate justification for their level, will the Minister, if necessary in co-operation with the States, seek to have them reduced?

Mr LES JOHNSON—I think that what the honourable gentleman suggests is the fact, although I am unable to confirm it. Suggestions along those lines have been made to me by other honourable members. The control of building societies is, of course, a matter for the States and I am pleased that included in the honourable member's question was the suggestion that if anything is to be done, even the matter of looking at this whole problem, it should be done in co-operation with the States. Quite frankly, there are many aspects of building society administration which are receiving my own personal attention and that of my Department. I am pleased to see that the Prime Minister, as late as yesterday, has given some manifestation of his own interest in the activities of building societies.

I believe that the building society movement generally is of such significance and is such an important structure in the home financing processes that it would be indiscreet to make what could be thought to be impertinent comments about even the kind of matter to which the honourable member has referred, let alone more significant matters. Yet permanent building societies, lending matters generally and, for my own part, all those matters which are significant in the housing arrangements that we have in this country, are not taken for granted, will not be taken for granted and will be the subject of careful scrutiny. The matters referred to are not of an unimportant nature, but they do not represent the most significant matters which could be inquired into so far as building
societies are concerned. I believe that the time might come when the Parliament could have a general feeling of acquiescence about the need to set up proper processes whereby the matter referred to and a lot of other associated matters could come under very careful scrutiny.

PROPOSED VISIT OF MR K. T. LI

Mr IAN ROBINSON—My question is directed to the Prime Minister. In view of his reply yesterday contradicting his earlier answer on the granting of a visa to Mr K. T. Li, will the Government accept as binding all future representations from the People's Republic of China even when, as in this instance, they conflict with the publicly expressed position of the Australian Government? Will this in future apply in all fields of foreign affairs? Further, will the Prime Minister explain why he allows the People's Republic of China to dictate to Australia in matters of this kind? Has he noticed that similar attitudes are not imposed on the United States by the People's Republic of China?

Mr WHITLAM—The honourable gentlemen seems to have a basic misunderstanding of this situation. The United States recognises the Government in Taipei as the Government of the whole of China. Australia and most other countries, including practically all those between Australia and China, recognise the Government in Peking as the Government of the whole of China. In those circumstances, governments of any of the countries will accept visits from officials of the government which they recognise and will not accept visits from officials of a government which they do not recognise. If Mr Li had been content to come here as a private citizen, which is all that he was understood to be, then he could have got a visa when he applied for it. Before he applied for a visa, the Deputy Leader of the Australian Country Party, undoubtedly with the noblest of motives, thought that he would help in his visit by disclosing the fact that he was a Minister of the Government in Taipei. When this cover was blown, then the inevitable consequences followed.

I would like to ask honourable gentlemen to contemplate what would have been the situation if a year ago my predecessor had been asked to a meeting and there was at that meeting a Minister of the Government in Peking who had come under another guise. My predecessor would have taken the proper course dictated by the relations between the Government in Taipei and the Government in Canberra and have said that the Minister from Peking could not come under that or any other guise. The situation has changed; the principles endure. Accordingly, I did the only thing which a Minister of the Australian Government could have done in the circumstances. The Deputy Leader of the Country Party, as I said yesterday, blew the cover, and accordingly a visa could not be granted.

TRANS-AUSTRALIA AIRLINES

Mr SHERRY—My question is addressed to the Minister for Transport and Minister for Civil Aviation. Is it a fact that Trans-Australia Airlines enjoys unfair competition in terms of access to capital and the money market? Is it also a fact that TAA is exempt from State and municipal taxes?

Mr CHARLES JONES—I have received telegrams—and I know that other honourable members also have received telegrams—from a company, which has a string of hotels, objecting to a proposal to grant to Trans-Australia Airlines authority to operate hotels and motels. One of the arguments which have been advanced against the proposal is that TAA has a distinct advantage over other companies which have similar operations inasmuch as TAA pays no taxes or rates. This is not true. Honourable members should be aware of the fact that TAA pays company tax. It pays local government rates and State taxes wherever they apply to its operations in the same way as they apply to and are paid by the people who are objecting to TAA being given authority to operate hotels and motels.

Mr Donald Cameron—Mr Speaker, I raise a point of order. I seek clarification. Is it in order for a Minister to comment on a Bill which is on the notice paper and due to come up for debate in the next day or so?

Mr SPEAKER—I do not think the matter under discussion will come within the confines of the Bill that is now on the notice paper.

Mr Malcolm Fraser—I also raise a point of order. The matter about which the Minister has been asked comes within the confines of the Bill, as any plain reading of the Bill would show.

Mr SPEAKER—Order! An honourable member may seek information on a matter
even if it is pertinent to something which is on the notice paper.

Mr CHARLES JONES—I have already outlined to honourable members the position as far as taxation is concerned. It has been suggested by the hotel people that TAA will not be paying interest on the money which it borrows for the purpose of acquiring or building hotels. This again is not true because TAA does pay interest on money which it borrows. Even though the money came originally from the superannuation fund, TAA still pays interest on it. It is not my view that TAA will become a general hotel owner-operator in competition with every hotel owner in the land. All that we want is TAA to have a sufficient number of hotels as part of its business to assist it in the tourist expansion program which it is undertaking. It is most important to note that all that this will do is put TAA on a trading basis similar to Ansett Transport Industries Ltd. All that is proposed is what my predecessor Senator Cotton promised TAA, that is, that it would be permitted to operate hotels. That is part of a promise which was given by a former Prime Minister, the right honourable member for Lowe. So all that I am doing is implementing a Liberal Party promise. I think that if anyone objects to TAA operating on equal terms with AT1 he is being most unreasonable. If the hotel people object to TAA operating hotels, why do they not likewise object to Ansett Transport Industries operating hotels? I think the complaints originated from that source.

FRENCH TRADE: BAN BY AUSTRALIAN COUNCIL OF TRADE UNIONS

Mr HAMER—Has the Treasurer made any assessment of the likely effect on the national economy of the ban by the Australian Council of Trade Unions on French trade? In view of the fact that the ban is certain to be diplomatically completely ineffective, is he as Treasurer in favour of it?

Mr CREAN—I have made no assessment of the effects that this ban will have on Australia's trade and individually I do not intend to do so. I regard that to be within somebody else's jurisdiction. In any case, at the moment it is hypothetical and I refrain from comment.

COMMONWEALTH EMPLOYMENT SERVICE: CANNINGTON

Mr BENNETT—My question is directed to the Minister for Labour. What steps are being taken to provide a Commonwealth employment office in the Cannington area to supplement the existing Victoria Park office? Is he aware of the inconvenience long suffered by both employees and employers due to the lack of this facility? If an office is to be provided, when will it be available?

Mr CLYDE CAMERON—The honourable gentleman has been pressing me persistently for the provision of a Commonwealth Employment Service office at Cannington. I can assure him, and he will be pleased to know, that steps have been taken to see that this facility is provided. I expect that it will be opened within a reasonably short time. And I shall be writing to the honourable gentleman to ask him whether he will represent me officially at the opening of the office.

WHITLAM MINISTRY: DISPOSAL OF SHARES

Mr MALCOLM FRASER—Will the Prime Minister confirm that he instructed all his Ministers to sell any shares they held in public companies? Has the Prime Minister sought an assurance that no Minister has transferred any shares to a nominee company or to his wife? Will the Prime Minister agree that wives of Ministers, no more than Ministers, should profit from the positions their husbands hold?

Mr WHITLAM—I did not give an instruction but I certainly raised this subject right at the outset of my Government, in fact at the very first meeting, and I have no reason to believe that the principle that I enunciated then has not been followed to the letter. I would be disturbed indeed if I thought that any of my Ministers held shares in companies in those circumstances or if they had adopted the device of transferring them to their wives or dependent members of their families. I have no knowledge of any deviation from what I would regard as a basic principle in parliamentary democracy.

Mr SPEAKER—I might add, Mr Prime Minister, that I sold all my shares at Kings Cross immediately you made that declaration.

IMMIGRATION: HISTORICAL DOCUMENTS

Dr JENKINS—My question is directed to the Minister for Immigration. During the previous Parliament I suggested the setting up of
a museum or a collection of articles showing Australia’s immigration program and its history. Has the Minister’s Department taken any steps to ensure preservation of documents and other articles relevant to migration programs during Australia’s history? If not, will the Minister take steps to have this carried out? Will the Minister investigate the possibility of such a collection and museum showing the history of Australia’s immigration program being set up as has been done in the United States?

Mr GRASSBY—I am afraid that in reply to a question without notice I cannot say exactly what happened during the previous Parliament or what consideration, if any, was given by my predecessors to this suggestion. But I must say that I am very much attracted to it. I think there should be somewhere a national compilation of documents and material that would illustrate in one place the history of migration perhaps from the arrival of the First Fleet on 26th January 1788. I think it is an excellent suggestion. I have often thought that Canberra, the national capital, is remarkably bare of monuments to our past either to people or to events. I can recall only my friend Mr Robert Burns and a past monarch being commemorated by monument in Canberra. I think it would be a very fine idea—

Mr Whitlam—They were both probably in the same condition.

Mr GRASSBY—One was a better poet, Mr Speaker. I think it would be an excellent matter to consider. I will certainly examine what consideration, if any, was given by my predecessors to the question which the honourable member mentioned had been advanced. I will certainly ask my Department to explore whether we could have a collection and perhaps the basis of a monument to migrants in the national capital which would bring together all this historic data.

DOMICILIARY CARE SCHEME

Mr LLOYD—I address a question to the Minister for Social Security. The Minister referred recently to a study his Department is undertaking into anomalies in and possible extension of the domiciliary care benefit, including the parents of children over the age of 16 years who are receiving an invalid pension and needing costly nursing care at home. Will he consider including the parents of handicapped children in the domiciliary care scheme where the children are unable to be accommodated in a special home or institution and are therefore ineligible for any of the forms of assistance under the National Health Act? Does he consider that these parents who are unable to have their children accommodated or who feel it is their duty to care personally for their children are being penalised financially at present and that the extension of the domiciliary care benefit would provide some justice to them?

Mr HAYDEN—Of course, like all honourable members I am concerned about the plight of people in the circumstances which the honourable member outlined. However, I would point out that the government of which he was a supporter and which held power through a succession of leaderships for 23 years, although no doubt concerned, did nothing about these problems.

Mr Lloyd—I have not played politics with this question and I expect you to do the same.

Mr HAYDEN—Well, I have, and justifiably. As I indicated last week or the week before, the scheme to which the honourable member refers increasingly shows that it has problems, that there are anomalies involved in it and that before anything further is done to extend or in any way adapt the scheme a thorough inquiry is being carried out into what can be done to remove these anomalies and to make the scheme work more successfully.

VICTORIA: ESTABLISHMENT OF A FOURTH UNIVERSITY

Mr WILLIS—I ask the Minister for Education whether he is aware of reports that the Victorian Minister for Education has informed municipal representatives of Geelong, Ballarat and Bendigo that the Commonwealth has refused to consider a Victorian proposal for a fourth university in those centres. Can he inform the House of the proposals that have been received by the Commonwealth on this matter?

Mr BEAZLEY—I hope the Minister for Education in Victoria has been misreported. The Commonwealth Government has made no decision on any new university in Victoria, not on the report of the commission that inquired into universities in Sydney, Melbourne or Albury-Wodonga and certainly not on the Victorian Government’s proposals for a tripartite university at Geelong, Ballarat and Bendigo. All I can say is that repeatedly the Australian
Universities Commission has asked the Victorian Government for information concerning the planning and expectations of student enrolment and many other questions of the projected fourth university. It has not yet received adequate information on which it can make any recommendations to the Commonwealth Government. As no recommendation of any kind has come to the Commonwealth Government there is no Commonwealth policy on this subject. I object to being made a stalking-horse for the Victorian election campaign, the policies being invented for us which are not in fact our policies.

PERSONAL EXPLANATIONS

Mr McMAHON (Lowe)—I wish to make a personal explanation.

Mr SPEAKER—Order! Does the right honourable member claim to have been misrepresented?

Mr McMAHON—Yes, I have been misrepresented by the Prime Minister. The honourable gentleman implied that if there had been a request from the People’s Republic of China—which we had not recognised—for a member of the Government of that country to visit Australia I would have refused a visa. I remind him that President Nixon went to the People’s Republic of China prior to any consideration of recognition and of the fact that recognition of China has not since taken place. I remind him that Dr Kissinger explained that the old conventions no longer apply and that I did in answer to a question in this House state that if my own Minister for Foreign Affairs was invited to the People’s Republic of China I would willingly agree to his going. I state, therefore, that if the Government of the People’s Republic of China had made a request for one of its Ministers to come to Australia I would have agreed to it in exactly the same way as the United States Government or President Nixon agreed to go to the People’s Republic without official recognition.

Mr WHITLAM (Werriwa—Prime Minister and Minister for Foreign Affairs)—I wish to make a personal explanation.

Mr SPEAKER—Does the honourable gentleman claim to have been misrepresented?

Mr WHITLAM—Yes. The right honourable member for Lowe (Mr McMahon) said that during question time I had speculated as to what would have happened if a Minister of the People’s Republic of China had sought to visit Australia while he was the Prime Minister. That is not the position which I put at all. It was not the position which was put by either of the questioners on this matter. The Government in Taipei did not ask that one of its Ministers visit Australia. It knew quite well, of course, that if it made such a request the request would have been rejected.

What did happen was that a Minister in that Government did seek or receive an invitation to visit the Pacific Basin Economic Council meeting in Sydney this week. He did not do so as a Minister. He did so under the guise of being a director of some company. As a result of a question by the Deputy Leader of the Australian Country Party it became public knowledge that, in fact, he was a Minister in the Government at Taipei. Accordingly, when his request for a visa was received it was refused. The honourable gentleman went further—it did not seem to relate to his personal explanation—and said that if one of his Ministers had received an invitation from the Government of the People’s Republic of China it would have been considered. The honourable member should remember that one of his Ministers, the then Minister for External Territories, did receive such an invitation and he was not allowed to accept it.

Mr MATHEWS (Casey)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—The honourable gentleman claims to have been misrepresented?

Mr MATHEWS—I do. I refer to Hansard of last Thursday, 10th May 1973, pages 1996 and 1997. The honourable member for Maranoa (Mr Corbett) said:

I understood the honourable member for Casey (Mr Mathews) to say that Cardinal Knox was in favour of a royal commission. In the ‘Advocate’ of 10th May, printed under the heading of ‘Clarification’, appears this statement:

In view of the misleading statement published in an evening paper I wish to state categorically that I have not given support to the idea of a royal commission on abortion.

On the following page the Minister for Tourism and Recreation (Mr Stewart) said:

I have been asked to correct a statement that was made by the honourable member for Casey (Mr Mathews) who said that Cardinal Knox of Victoria is in favour of the establishment of a royal commission to investigate the subject of abortion. I am told, and the honourable member for Maranoa (Mr Corbett) just confirmed it, that Cardinal Knox has issued a statement saying that he is not in favour of a royal commission.
I quote from the Melbourne ‘Herald’ of 30 April where a report appears under the heading 'Knox Favours Probe on Abortion'. The report states:

The Roman Catholic Church favoured a royal commission into abortion, a spokesman said today.

The Rev. Fr. A. Rebeschini, private secretary to the Archbishop of Melbourne, Cardinal Knox, was commenting on State Labor's election promise of a commission.

Fr. Rebeschini is official spokesman for Cardinal Knox. He said Cardinal Knox shared this view 'The judgment would show the major social problems that lead women to having an abortion,' he said.

'A Royal Commission would point out the social and personal needs for women in the community—marriage counselling, family planning and sex education. It would show just what help single mothers need.'

The report goes on in that vein. It was amplified the following day by a number of morning newspapers including the 'Sydney Morning Herald'. I quote the report to demonstrate that my remarks were made in good faith. I find it very difficult to imagine how so detailed a report, consisting as it does very largely of quotations of direct speech, could be held to be misleading. I find it very difficult to imagine how, if the report were held to be misleading, the correction waited for a full 10 days. I believe that some explanation is due to people, if not from the Cardinal then from his official spokesman, the Rev. Fr. Rebeschini.

Mr McMAHON (Lowe)—Mr Speaker, I seek leave to make a personal explanation.

Mr SPEAKER—Order! Does the right honourable member claim to have been misrepresented?

Mr McMAHON—Yes, I do. In his reply to me the Prime Minister said that a Minister in my Government had received an invitation from the People’s Republic of China and that I had refused to give him permission to go. Those are not the facts. The facts are that indirectly, not directly from the Government of the People’s Republic of China, a suggestion was made to me that the then Minister for the Army should be permitted to go to the People’s Republic of China in a private capacity, not as the Minister for the Army, and that he should take his wife with him. I asked for advice on this matter and the best technical advice I could get was that it was not practicable for the Minister for the Army to divorce himself from his ministerial status and appointment and go as a private individual. That was the advice given to me and on that basis I informed the person who spoke to me about it—I again state that it was not a person in any official capacity—that I was unable to agree.

Mr SINCLAIR (New England)—Mr Speaker, I seek leave to make a personal explanation.

Mr SPEAKER—Order! Does the honourable member claim to have been misrepresented?

Mr SINCLAIR—Yes, today about 5 minutes ago in question time by the Prime Minister. The Prime Minister today, repeating an assertion he made yesterday, alleged that I blew the cover, to use his words, on the status and position of a man whose status and position were revealed to this House in the question that I first put to the Prime Minister concerning that man’s admission to Australia in a private and personal capacity to attend and address a Pacific Basin Economic Council meeting. I explained his position and explained that Mr K. T. Li sought to enter Australia in a personal and private capacity. The Prime Minister said as appears at page 1648 of daily Hansard:

He would undoubtedly be able to come to Australia under the same conditions as any other person or he comes from Taiwan, that is, in any unofficial capacity.

It is not true that the Prime Minister was unaware of the official position of Mr K. T. Li at the time he gave that reply. The specific status and position of Mr K. T. Li were included in the express question that I put to the Prime Minister and his reply designated the fact that he accepted that he held that position but, in spite of that position at that point of time, he would be admitted. Apparently it was only through subsequent representations received from the People’s Republic of China that that view was changed.

I have been misrepresented also on another count during question time today by the Prime Minister. The Prime Minister alleged that through actions of the preceding Government the Australian Wheat Board lost sales to the People’s Republic of China.

Mr Whitlam—Mr Speaker, I rise on a point of order. This was not an allegation which concerned the honourable gentleman any more than it concerned the previous Government as a whole. If this is a personal
explanation then every other Minister of the previous Government could make a personal explanation upon this matter.

Mr SINCLAIR—Mr Speaker, on the point of order, as Minister for Primary Industry in the previous Government I contend that I was personally responsible for any consequences of any international trade deal whereby it was alleged that the Government's intervention caused the loss of sales. As Minister for Primary Industry at that stage I believe I was responsible. I have been unjustly and inaccurately accused on a matter where the Prime Minister is showing gross disregard for the truth. The position was that in September 1972, while the previous Government was in office, a contract for 37 million bushels of wheat was negotiated with the People's Republic of China. Wheat in fact was delivered each year from 1961 to 1972 during the regime of the preceding Government. The sales represented 33 per cent of Australia's total wheat sales and any allegation that actions of the preceding Government or me personally caused the loss of sales is not true.

Mr SPEAKER—Order! The honourable gentleman is now debating the question.

Mr WHITLAM (Werriwa—Prime Minister and Minister for Foreign Affairs)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the Prime Minister claim to have been misrepresented?

Mr WHITLAM—Yes. Honourable members will judge the veracity of the honourable member for New England (Mr Sinclair) by his purported explanation on the second matter. The facts are notorious to everybody that Australia's biggest wheat customer gave up buying Australian wheat during the previous Ministry, and the reasons why that is so are equally notorious. But I had never heard of Mr K. T. Li being the Minister for Finance for Taiwan until the honourable gentleman asked a question about him on Thursday, 3rd May. I had never heard and nobody in the country knew—at least very few people knew—that he was coming, and they did not realise that he held that position. The communication came from the Pacific Basin Economic Council.

Mr Sinclair—But you knew because I told you.

Mr WHITLAM—That is the first any of us heard about it. The honourable gentleman has been the effective cause for Mr Li not making the trip to Australia which he sought to make ostensibly as a director of a company. PBEC invited me to give the key note address at its meeting this week. They realised what a discourtesy would have been involved if they had asked me to speak with a Minister from a government which Australia does not recognise being in the audience. The honourable gentleman has caused embarrassment all round on this matter. I suppose at least it is better that the situation should have been blown before a visa was sought, thus saving embarrassment for the Government of this country and for the other persons whom PBEC asked here under their proper designations and in their real capacities.

Mr SINCLAIR (New England)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Look, this could go on indefinitely. Does the honourable member claim to have been misrepresented?

Mr SINCLAIR—Yes, I claim to have been misrepresented by the Prime Minister. I understand that an approach had been made by the Director-General of the Pacific Basin Economic Council to the Department of Foreign Affairs concerning the admission of a number of persons from Taiwan prior to my asking any question in this House. The representations made to me by Mr Li followed advice at departmental level that permission to enter Australia or a visa would not be granted.

Mr WHITLAM (Werriwa—Prime Minister)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the Prime Minister claim to have been misrepresented?

Mr WHITLAM—Yes. By way of explanation on this matter: The honourable gentleman had been in touch with the Department. I am not at liberty to give the communications which passed but the honourable gentleman—my memory is—was quoted as attributing to the Department a point of view, and the Department asserts that that point of view was never expressed to the honourable gentleman.
WINDSOR TELEPHONE EXCHANGE MELBOURNE

Report of Public Works Committee

Mr FULTON (Leichhardt)—In accordance with the provisions of the Public Works Committee Act 1969-1972, I present the report relating to the following proposed work:

Extensions to Windsor Telephone Exchange, Melbourne, Victoria.

Ordered that the report be printed.

JOINT COMMITTEE ON FOREIGN AFFAIRS AND DEFENCE

Mr SPEAKER—I wish to inform the House of the following nominations of senators and members to be members of the Joint Committee on Foreign Affairs and Defence: Mr Berinson, Mr Coates, Mr Cross, Mr Duthie, Mr Kerin, Dr Klugman, Mr Luchetti and Mr Oldmeadow have been nominated by the Prime Minister. Mr N. H. Bowen, Dr Forbes, Mr Hamer and Mr MacKellar have been nominated by the Leader of the Opposition. Mr Lucek and Mr Katter have been nominated by the Leader of the Australian Country Party in this House. Senators Drury, Milliner, Primmer and Wheelon have been nominated by the Leader of the Government in the Senate. Senators Carrick and Sim have been nominated by the Leader of the Opposition in that House, Senator Maunsell has been nominated by the Leader of the Australian Country Party in that House and Senator McManus has been nominated by the Leader of the Australian Democratic Labor Party in that House.

THE PRIME MINISTER

Suspension of Standing Orders

Mr WENTWORTH (MacKellar) (12.5)—I move:

That so much of the Standing Orders be suspended as would preclude the immediate consideration of the following motion:

'That this House censures the Prime Minister for his failure to dissociate himself publicly from the dishonest and dishonourable conduct of his Ministers in the Senate'.

It is not usual, of course, to refer in this House to proceedings in another place—

Mr Whitlam—We will move:
That the motion be put forthwith.

Mr WENTWORTH—in that case, will the motion be put?

Mr Whitlam—Yes.

Mr SPEAKER—Order! Before the motion can be put forthwith we must have a seconder.

Mr Cooke—I second the motion, Mr Speaker.

Mr WENTWORTH—I move:

That this House censures the Prime Minister for his failure to dissociate himself publicly from the dishonest and dishonourable conduct of his Ministers in the Senate.

It is not usual in this House to refer to proceedings in another place and I would not do so were it not that the Ministers of the Government—

Mr SPEAKER—I am sorry to interrupt the honourable member for MacKellar. There is quite a lot of confusion about this matter. The motion for the suspension of Standing Orders must be passed before the honourable member can propose his motion for discussion.

Mr Donald Cameron—Are you gagging him?

Mr SPEAKER—No, he is not being gagged. This procedure is in conformity with the Standing Orders. I am referring to the original question for the suspension of Standing Orders. The question is that Standing Orders be suspended. All those of that opinion say aye, to the contrary, no. I think the noes have it.

Mr WENTWORTH—The Prime Minister accepted it; this is a motion against the personal honesty of the Prime Minister.

Mr SPEAKER—in this instance, I have to admit that the honourable member for MacKellar is right in seeking to speak to his motion. I call the honourable member for MacKellar.

Mr WENTWORTH—It is not usual in this place to speak of proceedings in the Senate but what I am really talking about is the behaviour of Ministers in the Senate and the failure of the Prime Minister to dissociate himself from the dishonourable and dishonest things which were done for the Government in the Senate.

Mr Scholes—Mr Speaker, I take a point of order. Is the honourable member for MacKellar speaking to the motion for the suspension of Standing Orders or is he speaking to the substance of the motion? I draw attention to the point of time involved if he is speaking to the second point.
Mr SPEAKER—He is speaking to the motion at present.

Mr WENTWORTH—Thank you, Mr Speaker; I am speaking to the motion. I notice that the clock has not yet been moved back.

Mr SPEAKER—The honourable member for Mackellar is speaking to the motion for the suspension of Standing Orders.

Mr WENTWORTH—In that case, I will proceed. The reason that this motion has been moved in this unusual way is that something quite appalling occurred in the Senate and the Ministers of this Government associated themselves with it. At page 1544 of the Senate Hansard of 10th May, Thursday last, the Minister for Repatriation, Senator Bishop, one of the Prime Minister’s Ministers, is reported as having said:

‘...every Labor member and every Minister supported what Senator O’Byrne had done. We had discussed it.’

I have just read from the Senate Hansard. Senator O’Byrne is the Government Whip in the Senate. There is ministerial responsibility for what occurred, and ministerial responsibility in the Senate cannot be dissociated from ministerial responsibility in this House. The dishonourable and dishonest thing which was done in the Senate rubs off onto the Prime Minister, because when he was given an opportunity in this House to dissociate himself from it he refused to take that opportunity. When he was asked about it in another place, at a Press briefing, again he refused to dissociate himself from the dishonest and discreditable thing that was done in the Senate.

In order to show the necessity for what this motion for the suspension of Standing Orders involves I must say what happened in the Senate. What happened there is recorded in Hansard. An amendment was moved to a motion which would have involved the exposure of the goings-on of the Attorney-General, Senator Murphy, and pairs were granted when the vote on the amendment was taken. The pairs are recorded in the Senate Hansard as follows: Senator Fitzgerald with Senator Dame Nancy Butfield, Senator Keeffe with Senator Bonner, and Senator Cant with Senator Hannan. Immediately afterwards, without further debate, the substantive motion was put and pairs were broken. Senators Fitzgerald, Keeffe and Cant voted. I have looked into the circumstances in which pairs were granted. Senator Fitzgerald, as we all know, is in a poor state of health and because of that he has a permanent pair. His permanent pair is Senator Dame Nancy Butfield who is absent in the United States of America. She is absent on the authority of the Government, as was stated yesterday in the Senate by the Acting Leader of the Government in the Senate, Senator Willessee. Senator Willessee said:

‘...Senator Dame Nancy Butfield who is overseas and who went overseas with our authority; ...’

That is a quotation from the Hansard report.

Mr SPEAKER—Order! The honourable gentleman is now debating what happened in the Senate and that is not permitted. I ask the honourable gentleman to get back to the reason why Standing Orders should be suspended.

Mr WENTWORTH—Yes. I am trying to show the enormity of what occurred in that pairs were broken against the pledged word of the Government. The Government behaved dishonestly and discreditably and every Minister and supporter of the Government associated himself with that dishonest performance. We cannot have a government which will gain the respect of Australia if the leader of it condones lies, cheating and discreditable conduct by his Ministers. It stands on the record that his Ministers in the Senate—Ministers of this Government—acted dishonourably and discreditably. The whole credibility of the Government is at stake. Is the Prime Minister prepared to condone and support this twisting, evasion, fiddling and lying in the Senate?

Mr SPEAKER—Order! I remind the honourable gentleman that we are dealing not with the substantive motion but with the motion for the suspension of Standing Orders. Those epithets are completely out of order.

Mr WENTWORTH—I am trying to show why Standing Orders should be suspended. Something of enormity has happened in the Senate and it reflects on the credit of the Prime Minister. It is for this reason that I moved the motion, and in order to show why the motion is urgent I must let the reason be known. I am not now talking about the substance of the motion seeking to censure the Prime Minister. The motion is urgent because his Ministers have done something which is utterly discreditable. If I am not allowed to
discuss the details of it, I think that is a travesty of the procedures of this House. I must be allowed to show the reason why my motion is urgent. Pairs were given between Senators Fitzgerald and Dame Nancy Buttfield, Cant and Hannan and Keeffe and Bonner—

Mr SPEAKER—Order! The honourable gentleman’s time has expired. Is the motion seconded?

Mr COOKE (Petrie) (12.16)—I second the motion. I want to say a few words about it because an important principle is involved and the House should debate the question. The Prime Minister (Mr Whitlam), in answer to a question yesterday, adopted a somewhat ostrich-like approach to the matter. The principle of pairing is very important to the running of Parliament. It depends on goodwill and confidence between the Government and the Opposition. If pairs are called off, we could have a system of government by ambush rather than government by discussion which is the process normally adopted in a House of this sort. This is an important question and the time of the House should be taken to discuss it. It is all very well to say that Ministers in the Senate run their own affairs; but after all, they are Ministers of the Government and the Prime Minister, the Leader of the Government, is in this House. Simply to wash his hands of the affair like a Pontius Pilate does not overcome the serious problem with which the running of the Government can be faced. If we reach a situation where pairs are dispensed with altogether in this House it could become intolerable not only for the Prime Minister but also for other honourable members in the House. This is an important question that should be discussed.

Mr DALY (Grayndler—Leader of the House) (12.17)—This motion to suspend Standing Orders is important in that it has been moved in an endeavour to challenge the integrity of the Prime Minister (Mr Whitlam). A significant fact is that such an important motion has been moved by a backbencher and seconded by another backbencher who has just about made his maiden speech in doing so. If this is an important motion, why has not the Leader of the Opposition (Mr Snedden) moved it? Why has not the third most important member of the Opposition in the Parliament moved it? Why has not the substantive motion been supported by the Opposition, in accordance with the practice when the honourable member occupying the highest position in land is challenged?

The position is that this motion has been moved by someone with a bias against the Prime Minister in an endeavour to bring into this House a matter that is entirely within the province of those in another place. It is another indication of the lack of unity in the Opposition, of the disarray in which it stands and of the fact that its members run riot without any respect at all for authority. I have been given a list a mile long of honourable members who wish to speak in the debate on the Pipeline Authority Bill.

It is conduct such as this that stops members of the Opposition from speaking on that important measure. In case any honourable member opposite wishes to speak on that measure, I mention that at present we are discussing this matter in the time that is to be allocated to the debate on the Pipeline Authority Bill. Never in my life have I seen time wasted so much.

Mr Sinclair—Jackboot democracy again. That is typical of your Administration.

Mr DALY—The Deputy Leader of the Country Party is interjecting. His Party does not even support the motion. If it does, why did not he, on behalf of the Country Party, move or second the motion? It is because everybody knows that there is no support for the motion. The time of this House should not be wasted by honourable members whose leaders have no control over them. Therefore, I formally move:

That the question be now put.

Question resolved in the affirmative.

Original question resolved in the negative.

URGENT LEGISLATION
Suspension of Standing Orders

Mr DALY (Grayndler—Leader of the House) (12.20)—I move:

That, in relation to the proceedings on the following Bills, so much of the standing orders be suspended as would prevent the Leader of the House making one declaration of urgency and moving one motion for the allotment of time in respect of all the Bills: Pipeline Authority Bill 1973, Prices Justification Bill 1973, Seas and Submerged Lands Bill 1973 and Seas and Submerged Lands (Royalty on Minerals) Bill 1973.
I have no intention of speaking at length on this motion, although the Standing Orders provide that I can exercise at least 20 minutes in addressing myself to it. I have no desire to do what the honourable member for Mackellar (Mr Wentworth) did when he moved his motion recently, that is, waste the time of the House when debate ought to be proceeding on these important measures. One of the reasons for this motion was indicated this morning by the honourable member for Mackellar; it is the wasting of time by certain Opposition members of whom he is the prime mover. I mention also that the Opposition was advised last Thursday that these Bills were to be brought forward and that all of them would be debated before the next Opposition Party meeting next Wednesday. As honourable members know the practice in the Parliament is to adjourn debates on new legislation to allow sufficient time for a party meeting to take place after the introduction of Bills and to determine the attitude to be adopted to that legislation. The only alteration to the priorities indicated to the Deputy Leader of the Opposition (Mr Lynch) last Thursday is that the Seas and Submerged Lands Bill 1973 has been moved forward and the Australian National Airlines Bill 1973 has been held over until next week. This follows the review of priorities made by the Government this week because of events in the nation.

The Opposition has had, in effect, 3 years to determine its position on the Seas and Submerged Lands Bill. If honourable members opposite believe that they have not had time to consider the Bill they should recall all the speeches that have been made on this measure in the last 3 years. This Government proposes to do what the previous Government never did, that is, give honourable members the opportunity to make up their minds one way or the other on this legislation. A number of public pronouncements have been made in past months concerning the Prices Justification Bill 1973 and the Pipeline Authority Bill 1973. Therefore, the Opposition can hardly say that it has been taken by surprise by the introduction of these Bills. I mention also that I understand that a number of honourable members opposite desire to speak on this Bill. A simple theory is adopted by honourable members opposite when Bills are first introduced. They run around, obtain the names of every Opposition member and give them to their Whip who lists them as wishing to speak on the Bill. The same thing has been done on this occasion. I must confess that I was unable to reach agreement with the Opposition that all these honourable members on the list of speakers would be able to speak on these Bills. Consequently, as I do not wish to take up the time available for debate on the Pipeline Authority Bill—and I mention to honourable members who intend to participate that this is part of the time in which the Bill ought to be debated—having moved that motion, I will conclude.

Mr LYNCH (Flinders) 12.25)—Speaking on behalf of the Opposition Parties, I believe the motion which the Leader of the House (Mr Daly) has moved on behalf of the Government is completely disgraceful and discreditable. Its intention is to deny to this House and to the Opposition Parties the opportunity of adequately examining and exposing 5 of the Government’s most important policy Bills. They are the Pipeline Authority Bill, the Prices Justification Bill, the Seas and Submerged Lands Bill, the Seas and Submerged Lands (Royalty on Minerals) Bill and also the Australian National Airlines Bill which we understand is to be brought forward for debate early next week. As the Leader of the House is well aware, the revised arrangement was not brought to my attention until 9.30 last night. Obviously, this followed the issuing of new instructions by the Prime Minister (Mr Whitlam) who is seeking to close down the House for reasons which we on this side thoroughly understand. This is because of the manner in which the Government is presently under attack from significant sections of the Australian community.

Many members from both of the Opposition parties wish to speak on these 5 measures. We have not sought, as the Leader of the House indicated, deliberately to contrive some list which includes persons who are not prepared to speak. All the members shown on the Opposition list as wishing to speak to these quite substantial Bills are intent on speaking and their opportunities to do so will be effectively denied by the passing of this motion. We oppose the motion. We believe it is an abuse of the House and a contempt of the workings of the Parliament. It is a further indication that the
concept of open government has now been indecently interred by a government of double standards unprepared to practise in this House what it has preached outside it in the pre-Federal election period.

Mr Donald Cameron—Democracy is being raped.

Mr SPEAKER—Order! If the honourable member for Griffith persists in using these unpatriotic words I will certainly deal with him—and deal with him quickly.

Mr LYNCH—As the honourable member interjected, democracy is under attack. It is unprecedented that so many major policy measures should be introduced so hastily in so short a period of time in the final days of this session. I remind the honourable gentleman who is attempting to interject that if he casts his mind back not to the 25 or 30-year period that the Leader of the House so often wants to refer to but to the last calendar year he will note that the former Government did not move one guillotine during that period. Never in the recollection of honourable members on this side of the House has there been a period during which so many major policy measures have been sought to be introduced during the closing stages of the parliamentary session. The Government's move to apply the guillotine comes against the background of gag motions, previously applied guillotine techniques, the failure of this Government to allow adequate time for substantial measures to be canvassed adequately, the evasion of ministers during question time and the practice of ministers taking opportunities to make important statements on policy outside the House where they cannot be questioned nor held to account.

The Opposition is quite prepared to give the Government ample opportunity to extend the sittings of the House for as long as is required to process this legislation. But we will not approve of the precipitous haste which the Government is now adopting ruthlessly to force these Bills through the House. It is described by the honourable members on this side of the House as a jack boot approach; an approach we have become all too familiar with during the first sessional period under a Labor Government. We can well imagine why the Government is determined to force these Bills through at the earliest opportunity and so deliberately to curtail the sittings of this House. The reason is simply that the first 150 days of the new Labor administration has been a period in which the experience is souring, and souring very badly. This Government recognises that today it is under major attack from significant sections of the Australian community. There is developing very rapidly a sense of increasing concern and apprehension as to the directions which the Government is taking in so many fundamental areas. They include the Government's incapacity in terms of inflation, the degree to which it has destroyed goodwill with the United States of America built up over a quarter of a century, the fact that in terms of inflation it has offered no effective remedy to what is Australia's major economic problem, the problems it is having with the Labor States in terms of off-shore legislation, the degree to which it is seeking a centralised socialist approach with, of course, murmurings of nationalisation in regard to a number of major industries.

I do not intend to take up the full time available to me simply because of the threat by the Government to curtail further the time which is currently available under the guillotine motion. In summary, I say that this motion is strongly and vigorously opposed by the Opposition parties. We believe it is consistent with a concept of closed government and with the manner in which the Government has made the proceedings of this House—question periods and major debates—a farce. It is a mockery of the forms of this House and of the parliamentary institution. For these reasons I shall move an amendment in relation to the next item on the daily program.

Mr SINCLAIR (New England) (12.31)—I rise on behalf of the Australian Country Party to support completely the point of view expressed by the Deputy Leader of the Opposition (Mr Lynch). The Government, when it came into office in December, put forward a number of new policy programs, which only in part were reflected by the policy speech of the Australian Labor Party. Those policies have subsequently been modified on a successive number of occasions by statements of the top of the head by Ministers. We are now at the stage where we have a number of significant Bills before this House relating to these policy proposals. It is nonsensical for the Leader of the House (Mr Daly) to come before this House today and say that we have had
3½ years to consider the Seas and Submerged Lands Bill and the Seas and Submerged Lands (Royalty on Minerals) Bill. In fact, these are Bills which generate a great deal of debate on the whole key issue of the degree to which a centralist control from Canberra or cooperative federalism are workable in our society today.

The motion for the suspension of standing orders today relates specifically to curtailing the opportunities of members of the Parliament and the public to see and understand the full implications of each of these wide-ranging Bills. This motion is more damaging because there is no Bill but 4 Bills included in the proposal. The Bills deal with widely diverse areas, and debate on all of them is to be arbitrarily constrained within the time limits to be imposed. The motion is even more oppressive when we consider the farce that has developed at question time with the Prime Minister (Mr Whitlam) giving us minimal opportunity to ask questions and giving terse, inadequate replies and then leaving the chamber to go to a Press conference at which he gives members of the Press a full opportunity to cross-examine him on any of a range of issues about which they are concerned.

For this Parliament to be asked to suspend standing orders so that we might be given less time to debate matters of tremendous consequence on which we have had no opportunity to examine the issues in question time—matters which have been inadequately debated in the House—I believe is completely unacceptable. For that reason I join the Deputy Leader of the Opposition in completely opposing this proposal. I see no justification for it and believe that the Parliament should be given a total and adequate opportunity to debate each of these Bills in full.

**Mr NIXON** (Gippsland) (12.33)—Mr Speaker—

Motion (by Mr Hansen) put.

Question put—
That the question be now put.

The House divided.

(Mr Speaker—Hon. J. F. Cope)

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<th>Ayes</th>
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<td>Noes</td>
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<td>52</td>
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<td>Majority</td>
<td>. .</td>
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</tbody>
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**AGENDA**

#### AYES

- Jenkins, H. A.
- Johnson, Keith
- Johnstone, Les
- Jones, Charles
- Keating, P. J.
- Keogh, L. J.
- Kerin, J. C.
- Kluge, R. E.
- Lame, A. H.
- Luchetti, A. S.
- Martin, V. J.
- Matthews, C. R. T.
- McKenzie, D. C.
- Morris, P.
- Morrison, W. L.
- Mulder, A. W.
- Oldmeadow, M. W.
- Olley, P.
- Patterson, R. A.
- Riordan, J. M.
- Scholes, G. G. D.
- Sherry, R. H.
- Thorburn, R. W.
- Uren, T. T.
- Wallis, L. G.
- Whan, R. B.
- Willis, R.

**NOES**

- Jarnan, A. W.
- Kelly, C. R.
- Kilzen, D. J.
- King, R. S.
- Lloyd, B.
- Loeck, P. E.
- Lynch, P. R.
- MacKellar, M. J. R.
- Maisey, D. W.
- McLean, J. E.
- McVeigh, D. T.
- Nixon, P. J.
- O'Keefe, F. L.
- Peacock, A. S.
- Robinson, Eric
- Robertson, Ian
- Sinclair, I. McC.
- Staley, A. A.
- Street, A. K.
- Turner, H. B.
- Viner, R. I.
- Wentworth, W. C.
- Wilson, I. B. C.

**Tellers:**
- England, J. A.
- Fox, E. M. C.

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**PAIRS**

- Caiman, J. P.
- Cohert, B. J.
- Reynolds, L. J.
- Stewart, F. E.
- Whitlam, E. G.
- McMahon, W.
- Gorton, J. G.
- Whittam, B. H.
- Anthony, J. D.
- Sneddon, B. M.

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**Question so resolved in the affirmative.**

**Question put:**

That the motion (Mr Daly's) be agreed to.

The House divided.

(Mr Speaker—Hon. J. F. Cope)

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<td>Majority</td>
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<td>8</td>
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</tbody>
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AYES

Armitage, J. L.
Ashley-Brown, A.
Barnard, L. H.
Beazley, K. E.
Bennett, A. F.
Berinson, J. M.
Birrell, F. R.
Bowen, Lionel
Bryant, G. M.
Cameron, Clyde
Cass, M. H.
Coates, J.
Collard, F. W.
Connor, R. F. X.
Cree, F.
Cross, M. D.
Daly, F. M.
Davies, R.
Doyle, F. B.
Duthie, G. W. A.
Enderby, K. B.
Everingham, D. N.
FitzPatrick, J.
Pulten, W. J.
Garrick, H. J.
Grassby, A. J.
Gun, R. T.
Hayden, G. A.
Hurford, C. J.
Innes, U. E.
Jacobi, R.
James, A. W.
Jenkins, H. A.
Johnston, Keith
Johnson, Les
Jortin, Charles
Keating, P. J.
Keogh, L. J.
Kerr, J. C.
Klugman, R. B.
Lamb, A. H.
Luchetti, R.
Martin, V. J.
Mathews, C. R. T.
McKee, D. C.
Morris, F. F.
Morison, W. L.
Mulder, A. W.
Olley, F.
Patterson, R. A.
Riordan, J. M.
Scholes, G. G. D.
Sherry, R. H.
Tuohurua, R. W.
Uren, T.
Wallis, L. G.
Whan, R. B.
Willis, R.

Tellers:
Hansen, B. P.
Nicholls, M. H.

NOES

Kelly, C. R.
Killen, D. J.
King, S.
Lloyd, B.
Lucock, P. B.
Lynch, R.
MacKellar, M. J. R.
Maisey, D. W.
McLeay, J. E.
McManus, A. W.
McVeigh, D. T.
Nixon, P. J.
O'Keefe, P. L.
Peacock, A. S.
Robinson, Eric
Simclair, I. McC.
Staley, A. Y.
Street, A. A.
Turner, H. B.
Viner, R. I.
Wentworth, W. C.
Wilson, I. B. C.

Tellers:
England, J. A.
Fox, E. M. C.

PAIRS

Cairns, J. F.
Cohen, B.
Reynolds, L. J.
Stewart, J.
Whitlam, G. E.

Katter, R. C.
Gortons, J. G.
Whitorn, R. H.
Anthony, J. D.
Sneddon, B. M.

Question so resolved in the affirmative.

PIPPLELINE AUTHORITY BILL 1973

PRICES JUSTIFICATION BILL 1973

SEAS AND SUBMERGED LANDS BILL 1973

SEAS AND SUBMERGED LANDS (ROYALTY ON MINERALS) BILL 1973

Declaration of Urgency

Mr DALY. (Grayndler—Leader of the House) (12.49)—I declare the following Bills to be urgent Bills:
Pipeline Authority Bill 1973

Armitage, J. L.
Ashley-Brown, A.
Barnard, L. H.
Beazley, K. E.
Bennett, A. F.
Berinson, J. M.
Birrell, F. R.
Bowen, Lionel
Bryant, G. M.
Cameron, Clyde
Cass, M. H.
Coates, J.
Collard, F. W.
Connor, R. F. X.
Cree, F.
Cross, M. D.
Daly, F. M.
Davies, R.
Doyle, F. B.
Duthie, G. W. A.
Enderby, K. B.
Everingham, D. N.
FitzPatrick, J.
Pulten, W. J.
Garrick, H. J.
Grassby, A. J.
Gun, R. T.
Hayden, G. A.
Hurford, C. J.
Innes, U. E.
Jacobi, R.
James, A. W.

Jenkins, H. A.
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Johnson, Les
Jortin, Charles
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Keogh, L. J.
Kerr, J. C.
Klugman, R. B.
Lamb, A. H.
Luchetti, R.
Martin, V. J.
Mathews, C. R. T.
McKee, D. C.
Morris, F. F.
Morison, W. L.
Mulder, A. W.
Olley, F.
Patterson, R. A.
Riordan, J. M.
Scholes, G. G. D.
Sherry, R. H.
Tuohurua, R. W.
Uren, T.
Wallis, L. G.
Whan, R. B.
Willis, R.

Tellers:
Hansen, B. P.
Nicholls, M. H.

AYES

James, A. W.
Jenkins, H. A.
Johnston, Keith
Johnson, Les
Jones, Charles
Keating, P. J.
Keogh, L. J.
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Nicholls, M. H.

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Scholes, G. G. D.
Sherry, R. H.
Tuohurua, R. W.
Uren, T.
Wallis, L. G.
Whan, R. B.
Willis, R.

Tellers:
Hansen, B. P.
Nicholls, M. H.

Mr SPEAKER—Order! The question is 'That the Bills be considered urgent Bills'.

Question put—

That the Bills be considered urgent Bills.

The House divided.

(Mr Speaker—Hon. J. F. Cope)

AYES 61

Noes 53

Majority 8
I am completely unmoved by the crocodile tears of honourable members opposite, particularly the honourable member for Mackellar (Mr Wentworth). Today the Deputy Leader of the Opposition (Mr Lynch) stated that the previous Government had never moved the guillotine during the course of the last Parliament. I have the Hansard report of 4 May 1971, which shows that 17 Bills went through this House in 19 hours. One of the honourable members who voted for the course followed at that time was the honourable member for Mackellar. Let us have a look at the setup concerning the Australian Country Party. A period of 5 minutes was allowed for debating all stages of the Loan (Farmers' Debt Adjustment) Bill. The time allowed in connection with some of the other Bills was as follows: Seamen's Compensation Bill—for all stages, 5 minutes, Air Accidents (Commonwealth Liability) Bill—for all stages, 5 minutes; and the United States Naval Communication Station (Civil Employees) Bill—for all stages, 5 minutes.

The honourable member for Mackellar voted for the motion which sets out the allotment of time in connection with those Bills, as also did the honourable member for Gippsland (Mr Nixon) and all the saviours of democracy who sit opposite. For the Defence Forces Retirement Benefits Bill (No. 2) 1970, a period of 30 minutes was allowed for the second reading stage and a period of 5 minutes for the remaining stage. This is what was done by the previous Government, supporters of which now talk about democracy. Why, under my motion a period of 12 hours is to be allowed for debate on 4 Bills. If time had not been wasted by honourable members opposite, they could have had days on which to speak to these Bills. We have no intention of following the infamous example of our predecessors. We are giving honourable members opposite a legitimate amount of time in which to debate these 4 Bills. With the permission of the House, I should like to incorporate in my speech the Hansard report which indicates the conduct of the previous Government.

The SPEAKER—Is leave granted?
Opposition members—No.
The SPEAKER—Leave is not granted.

Sitting suspended from 1 to 2.15 p.m.

Mr DALY—In the second or so at my disposal let me say that under the resolution of
4th May, which dealt with the use of the guillotine by the previous Government, the Australian Telescope Agreement Bill 1971 was allowed only 5 minutes, so that debate was certainly telescoped. Today I am unmoved by the humbug from honourable members opposite in respect of what is being done in regard to these matters. Little did I dream that I would hear the Opposition refuse me leave to incorporate in Hansard a page of Hansard outlining for all to see the political debauchery of the previous Government on matters like these. I am unmoved also by the fact that honourable members opposite have said that they will sit for an unlimited time. The House will remember that the Opposition voted against an extension of the sitting hours so that we could start at 11 in the morning and sit a little later in the evening. I think that the record of 4th May which I have revealed will show that day to be one of the blackest days in political history because of action instigated by those who today so solemnly and——

Mr SPEAKER—Order! The honourable gentleman's time has expired.

Mr LYNCH (Flinders) (2.16)—I move:

That the times set out in the motion be omitted and the following times be inserted in place thereof:

(1) In place of '5.45 p.m. this day' insert '3.45 p.m. Thursday, 17 May';
(2) in place of '3.45 p.m. on Thursday, 17 May' insert '3.45 p.m. Tuesday, 22 May';
(3) in place of '10 p.m. on Thursday, 17 May, insert 4 p.m. Wednesday, 23 May'; and
(4) in place of '10.15 p.m. on Thursday, 17 May' insert '3.45 p.m. Thursday, 24 May'.

This is the amendment which I foreshadowed when I spoke to the original procedural motion before the House. I do not intend to canvass again the issues which I put before the House during the debate on the procedural motion. I will waive my right to speak at this stage to allow my colleague the honourable member for Gippsland (Mr Nixon) to put the Opposition's view in relation to this amendment.

Mr SPEAKER—Is the amendment seconded?

Mr NIXON (Gippsland) (2.17)—I second the amendment. My reason for so doing is because of the activities of Government supporters when in opposition and the proposals that they put to the people last year in the election campaign. The Opposition at that time contested the election campaign on open government. It tried to make a distinction between itself and the government of the day by saying that in government it would allow proper and frank debate on all issues that came before the Parliament. It pretended that there had been no opportunity for proper debate on many vital matters. The simple fact is that since the elections and since the new Government came into office the people of Australia have seen that they were duped, that open government does not prevail at all and that in fact proper and frank debate is being prevented. I think that the reactions of the people in 3 by-elections in New South Wales demonstrate that the new Government has certainly lost a great deal of glamour throughout Australia. I think this view will be fortified by the results of the elections in Victoria on Saturday, and indeed the Gallup poll which came out last week also will be fortified by those results. The Government understandably is quite nervous about this but, stupidly, is doing nothing about it. The actions of the Government are contrary to what it put to the people at the last elections. The architect of all this is, of course, none other than the Minister for Services and Property and Leader of the House (Mr Daly). Everyone in this House knows the reason why the Prime Minister (Mr Whitlam) chose the Minister for Services and Property to be Leader of the House. He was put there simply to clown and amuse and to keep the faithful in order. The Government could not have chosen better.

Mr SPEAKER—Order! I do not think that those words are very complimentary. They should not be used.

Mr NIXON—No, they are not complimentary, but they are not unparliamentary. The Minister stands in this House day after day, turning to his audience and telling sneering jokes at the expense of the Opposition. I warn new members of this Parliament they will find that after a few weeks of this the sense of humour of the Leader of the House palls. If they look through Hansard they will find tedious repetition of the same type of humour having been brought before this Parliament week after week, year after year, for the some 20 years which the Minister has spent in the House. The second reason why the Prime Minister appointed him Leader of the House and Minister for Services and Property is that he has nothing to do apart from trying to gerrymander the electorates. I have recounted this to the House before. The simple fact is
that when I was Minister for the Interior I would handle in 15 minutes to 20 minutes at the week-end the amount of legislation and business deals that the Department of Interior had to cover. The situation has not changed since then. The Commonwealth Gazette proves that by carrying details of the numbers of pieces of paper that the Minister has signed. He must be flat out getting something to do.

Seriously, the facts are that we have before us today some very important legislation. We have, in fact, received the first piece of nationalisation legislation from this Government. We know that the first plank in the Labor Party’s policy is the democratic socialisation of the means of production, distribution and exchange, and there is no question that the Pipeline Authority Bill is a vehicle for the socialisation program of this Government. Therefore it requires proper debate. The other Bills before the House are of equal importance. They include the Prices Justification Bill. Here we have a Government which has been sponsoring inflation with all its mad action through the period of weeks that it has been in power, and now it is setting up a prices justification tribunal and we are not to be permitted proper debate on it.

The 2 other Bills are of vital importance to the States of Australia. Once again the Minister is deliberately trying to prevent proper debate on them. I submit in all seriousness that the Minister ought to consider his position in this matter and go back to the Prime Minister, who once made the statement that he was a Prime Minister one could trust. Mark you, nobody else has said that about the Prime Minister; he had to say it himself in the House. The Minister ought to go back to his great and revered leader, the Prime Minister, and make this appeal to him: ‘Let there be common sense. Let there be, as the Labor Party promised at the last election, frank and proper discussion on these matters of great and vital moment to the nation’. I second the amendment of the Opposition to this motion.

Question put:
That the times proposed to be omitted (Mr Lynch’s amendment) stand part of the question.

The House divided.

(Mr Speaker—Hon. J. F. Cope)

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AYES
Jenkins, H. A.
Johnson, Keith
Johnston, Les
Jones, Charlie
Keating, P. J.
Keogh, L. J.
Kerr, J. C.
Keilman, R. E.
Lamb, A. H.
Luchetti, A. S.
Mcfarlane, W. V.
Mathews, C. R. T.
McKenzie, D. C.
Morris, P. F.
Morison, W. L.
Mulder, A. W.
Olden, M. W.
Olley, F.
Patterson, R. A.
Scholes, G. G. D.
Sherry, R. H.
Sleodt, P. E.
Thorburn, R. W.
Uren, T.
Wells, L. G.
Whan, R. B.
Willis, R.
Hansen, B. P.
Nicholls, M. H.

NOES
Jarman, A. W.
Keily, R.
Killean, D. J.
King, R. S.
Lloyd, B.
Lawson, P. E.
Lynch, P. R.
MacKellar, M. J. R.
Mawby, D. V.
McLey, J. E.
Mckay, I. C.
McVeigh, D. T.
Nixon, P. J.
O’Keeffe, F. L.
Peacock, J. N.
Robinson, Eric
Robinson, Ian
Sleodt, P. E.
Staley, A. A.
Street, A. A.
Thorn, R. B.
Viner, R. I.
Wentworth, W. C.
Wilson, I. B.
Tellers: Corbett, J.
Fox, E. M. C.

PAIRS
Anthony, J. D.
England, J. A.
Katter, R. C.
Whittorn, F. H.
Sneed, B. M.

Question so resolved in the affirmative.
Amendment negatived.
Original question resolved in the affirmative.

PIPELINE AUTHORITY BILL 1973
Second Reading
Debate resumed from 10 May (vide page 2012), on motion by Mr Connor:
That the Bill be now read a second time.

MR FAIRBAIN (Farrar) (2.31)—On Thursday, 10th May, the Minister for Minerals and Energy (Mr Connor) introduced a Bill for an Act to establish a pipeline authority.
The Bill seeks to establish an authority for the transmission of petroleum, natural gas and other hydrocarbons by an interstate ring main pipeline system. The Minister for Minerals and Energy claims that this is necessary in order to ensure continuity of supplies and uniformity of price. He claims that the Authority should have trading rights to buy and sell hydrocarbons.

We of the Opposition are not opposed to the establishment of an authority to plan interstate pipelines but I move an amendment to the motion for the second reading in these terms:

That all words after 'That' be omitted with a view to inserting the following words in place thereof: 'this House is of opinion that the Bill should be withdrawn and redrafted so that the National Pipeline Authority provides for Australia a public utility for the transportation at a fair price of petroleum on behalf of producers, distributors and users but so that the Authority may not be used as an instrument of nationalisation of the petroleum industry thereby inhibiting the search for and development of petroleum by private enterprise'.

Australia is on the threshold of exciting developments in the field of natural gas. We still do not know our reserves of natural gas and probably will not for a long time to come but vast discoveries have been made, particularly in the Gidgealpa, North-West Shelf and Cooper basins. There are also hopes of establishing substantial reserves at Palm Valley in the Amadeus Basin. Natural gas will change the energy pattern in Australia. It is cheap. When it is supplied to Sydney we can expect to see a drop in the housewife's bill of from 20 per cent to 35 per cent while the cost of gas to industries can be expected to drop by about 30 per cent and perhaps even to double that figure.

Not only is natural gas cheap but also it has the great advantage of providing a fuel which requires no expensive anti-pollution control equipment. It can provide a substitute for the heavy oils which we have had to import from overseas because they have not yet been discovered in Australia. Already Brisbane, Melbourne, Adelaide and Perth are connected to natural gas. When Sydney and the industrial areas of Newcastle and Wollongong are connected we can expect to see a steadily increasing percentage of our energy requirements met by natural gas. This will be an advantage to the country as it will help to reduce our costs, make us more competitive, increase employment and reduce pollution and the despoliation of our natural flora.

Arrangements to connect Sydney to the Gidgealpa-Moomba natural gas field were well under way. The pipeline company had obtained permits from the Governments of New South Wales, Queensland and South Australia. Contracts have been signed with the producers as well as with the Japanese and Australian pipe manufacturers and shippers. The pipeline was due to be completed by December 1974 and reticulation to consumers was due to begin by April 1975. Everything appeared to be going forward smoothly. Suddenly the whole industry was thrown into utter confusion. The Federal Government announced that it intended to build and operate not only the Gidgealpa-Sydney pipeline but also a network of pipelines throughout the Commonwealth. Let me say this about Labor's proposals: I would have no disagreement—and I stress this—with the Commonwealth's setting up of a Federal Pipeline Authority to plan, in conjunction with the States, a natural gas pipeline. Such an authority could help to avoid some of the problems that have arisen and errors that have been made overseas. I am sure honourable members will realise that in the United States of America there have been great problems associated with pipelines. There is no doubt that there has been enormous waste there because a producer and a purchaser have negotiated with one another and have just built a pipeline to connect the field to the area where the gas would be used. If one looks at the maps held by the Federal Power Commission in Washington one can see that the whole of the United States is criss-crossed by pipelines often going over one another and under one another. There is no doubt that there was little planning and this has led to excessive costs.

I do not think anyone would say that there is any reason why we should not have an authority, but we must realise that such an authority must plan in conjunction with the States. At present all the pipelines operating are intrastate pipelines and the authorities that handle the gas are intrastate authorities. I make this point because a number of the pipelines now operating are intrastate and the Commonwealth has no power over the operation of these pipelines. Because most of the distribution authorities are under the control of State governments, close liaison must be maintained with the States in planning interstate pipelines. A limited amount of time is available for this debate on what the Leader
of the House (Mr Daly) said was a matter of great national importance. I agree that it is a matter of great national importance. It is a tragedy that debate on a matter of such great national importance should be gagged and so little time made available to many of my colleagues who are extremely anxious to speak on this subject. It is one of the most important of all matters concerning the future development of this nation that will come before this Parliament for a long time.

I stress that Opposition members are not opposed to the establishment of an authority to plan in conjunction with the States. We hope that this authority will be really efficient. One of the first things I hope it will do is negotiate contracts rather than use day labour. Day labour has been used in the past and this has increased the cost. In a capital intensive industry, such as pipeline transportation of natural gas, the capital cost is extremely vital in determining the cost at which oil or gas can be transported.

The Opposition is opposed to a number of proposals in the Bill. One of these is paragraph (c) of sub-clause (1) of clause 13 which will enable the pipeline authority to buy and sell in Australia or elsewhere. This means that if it wants to it can buy oil overseas. It can sell oil through pumps. It can buy natural gas at the lowest well head price that it can squeeze because it will be the only authority that can purchase gas and therefore it can bankrupt a company if it so desires by offering the product at too low a price. It can then sell to the highest bidder. This, we feel, would be an extremely bad thing. It would undermine confidence in the search for and discovery and marketing of natural gas and petroleum in Australia. We think it is an extremely bad thing. We see the Authority in the same light perhaps as the railways, although I hope it may be more efficiently run than the railways. But, of course, the railways do not buy something that they transport and sell at the other end. They transport other people's goods at a fair and reasonable cost. This is why we have moved the amendment providing that transportation should be at a fair and reasonable cost to the producer and to the consumer.

Of course, one only has to look at what has happened in particular in the United States to realise what can happen if one tries to squeeze the cost of petroleum products. This has happened particularly in the case of natural gas in the United States where the Federal Power Commission set an extremely low price. Initially this appeared to be to the advantage of industry and the public, but what has happened is that because of this people have not invested money in the search for and discovery of oil. The final result was that the supplies of natural gas in the United States have been running down and down. At the present moment many of these products are rationed or there is a very small supply of them. It is just the common law of nature that if we try to squeeze a producer he will not look for additional supplies; he will take his money somewhere else. This certainly has been shown to be the case in the United States. At the present moment we in Australia appear to have good fields of natural gas and adequate fields in many areas for some time to come. But this is not an excuse for a nationalised industry, which can be the only buyer, to try to squeeze the price to such an extent that private enterprise is no longer interested in the search for oil, because it is quite vital for us to see that the search for oil and natural gas is continued. As far as crude oil is concerned, the search needs to be stepped up.

The Minister has given a long list of proposed pipelines connecting Gidgealpa with Sydney, Wagga, Albury and Melbourne. Gidgealpa will then be connected to Palm Valley and Dampier. A pipeline will link Palm Valley and the Kalgoorlie mineral province to Perth. In addition spur lines will be built between Sydney and Brisbane with extensions—I put these next words in inverted commas because no one really knows what is meant by the expression—'to coastal Queensland cities'. I looked at a map and tried to work out what could be the cost of this sort of proposal which is before the Parliament. It seemed to me that the plan calls for up to about 6,000 miles of pipeline and, depending on the size of the pipeline and how much inflation rockets under the present Government, that it could cost anything between $1,000m and $1,200m, and possibly more. No assessment of costs or foreseeable markets and requirements has been carried out, except in relation to the Gidgealpa to Sydney route for which the East Australian Pipeline Corporation has already let contracts for about $53m and the final cost of this is expected to be around about $180m. The Minister says that he and the Western Australian Government have agreed to a feasibility
study on the Palm Valley-Kalgoorlie-Perth link but, quite frankly, I do not know why this should be done. As I say, there has been no assessment of the final cost and yet we are asked to accept an Authority which could spend vast sums of the Treasurer's money. I am glad to see that the Treasurer (Mr Crean) is here because I am sure this could well give him a nightmare.

Perth is already receiving natural gas which comes to it from the Dongara field. We are asked for an expenditure of an additional $240m, and the only thing that this will do is to give Perth backup supplies in the case of interruption by natural calamities. To me this would appear to be quite an excessive cost for that backup. Another reason given for the interconnected grid system is the exhaustion of supply. Both of these reasons would need to be assessed extremely carefully before vast sums of taxpayers' monies were committed. Supply usually can be maintained for some weeks after interruption of the source of supply by a variety of means such as keeping the old gas making equipment in working order, storage of one sort or another, or temporary use of liquefied petroleum gas or other gas which can be used for a short time. This is usually more than sufficient to enable supply to be recommenced. In any case, the capital cities have been connected to a gas supply for some time and, to the best of my knowledge, there has been no interruption to the service or problem of any sort; yet we are asked to expend these vast sums of money on a backup source of supply.

Also, gas is not normally connected to a source unless at least 20 years reserves have been established. This does not always apply, of course. Normally, additional drilling is done and more reserves can be expected to be established. However, in the case of the Roma field, this was not so. I stress that it is the Roma field and not the Moenie field, to which the Minister referred. The Moenie field, as his officers should know, is an oil field, not a natural gas field. One of the reasons given by the Minister for building a pipeline to Brisbane and to coastal cities in Queensland was that the Moenie field might run out. That has nothing to do with the situation at all. The Roma field is the one which provides Brisbane with natural gas and that field at present has proved reserves of only 10 years. However, the company is continuing its exploration. It has a drilling program which last year discovered reserves equal to all of the gas that it had already used. It also has additional fields which would mean the building of some additional lengths of pipeline and which have not yet been fully tested. Should the company not find any more gas in that area, it obviously would move to one of the other fields where it has had a successful strike.

So, I stress that new pipelines should be built only after a very careful assessment of the costs and benefits of such a pipeline has been made. In assessing these costs and benefits, due regard should be taken of alternatives, such as supplying the needs of certain areas by liquid petroleum gas or by liquid natural gas. One of the problems I see with a national authority in the hands of some governments could be that the pipeline would twist around in a tortuous way in order to go through the areas represented by certain members who brought a lot of pressure to bear. We want to make certain that this does not happen, that the cheapest line possible is built and that there is no political pressure of any sort, as was mentioned yesterday by the Minister for Labour (Mr Clyde Cameron) who told us that, because strong pressure had been brought to bear by one of his colleagues on the front bench, a certain town was to be included for receipt of benefits which would not otherwise have been included.

My personal view in regard to the proposed authority is that the taxpayers' money should not be used to build pipelines when private enterprise is ready and willing to undertake the work. I am sure that federal funds should be conserved for those purposes which do not attract private enterprise. There is an enormous demand on the taxpayer for such things as social services, hospitals, roads, schools and dams. We must tax the people for so many of these things but, certainly in some areas, people are ready, willing and able to provide a pipeline and yet they are being prevented from doing so and this vast sum of money is to be put on the taxpayer's back.

Would pipelines be better run by a government authority, in the way the railways are run, or by a private authority? In the case of a private authority, economic and efficient management is a prerequisite to a person retaining his job and to a company remaining solvent. That of course does not apply when it comes to the running of systems by government authorities. I am not saying that, in certain circumstances, a government authority
should not build a pipeline just because it did not happen to be economic. It could well be that for reasons of decentralisation, development or for other reasons, private enterprise would not be interested in building a pipeline which could not run economically. We would accept that, in those circumstances, the Government could well decide either to subsidise a private operator to build and operate the pipeline or to do the job itself. But where private enterprise is ready, able and willing to spend its money we should enable it to do so, realising all the time, of course, that the authorities of the Federal and State governments would dictate many of the terms by way of permits and licences and ensure that the work was performed in a proper manner.

The Minister mentioned what he called the ‘highly successful precedent of the former Labor Government which created the Snowy Mountains hydro-electric scheme’. I stress again that it is to be hoped that that Labor precedent will not be used, because the Labor Government started off using the New South Wales Department of Public Works on day labour rates. Everyone knows the result of this. After a little over 2 years the Department had not even completed building its own accommodation and construction of the Eucumbene Dam was running well behind schedule. Luckily then the Liberal-Country Party Government took over and said that it would use contracts and call for tenders. The Utah company won the tender and in no time it had made up the backlog and finished ahead of schedule. One of the basic things we have to ensure is that such an authority uses the tender system and that it does so effectively.

One of the worst aspects of this Bill is that the Authority is to have the right to buy and sell and transport hydrocarbons. It will be quite different from the railways, which transport other people’s goods. As it will be the only authority that can transport natural gas and petroleum, it also will be the only authority that can buy and sell them and thus will have a complete set of monopoly powers. This is the reason for the Opposition’s amendment. As I have mentioned, the Authority could, if necessary, break a company by refusing to pay it an economic price for its natural gas. I have also mentioned that because of this system of low pricing of natural gas—not paying an economic price—the United States of America is having severe problems with rationing and shortages. Many oil men put this down to the extremely low price which the Federal Power Commission allows people to charge. This could happen here. The Minister claims in the first sentence of his second reading speech that it is the Government’s policy to maximise Australian ownership. It would seem that so far in the life of this Government the effect of virtually every one of its actions has been to discourage investment by Australians in Australian mining and oil companies. An Australian company is virtually prevented from borrowing loan money from overseas because of the 25 per cent freeze. The abolition of oil search subsidies and some other incentives will make it harder for the small Australian company to raise sufficient funds to mount a satisfactory drilling program.

One other point I would like to make is that, in line with the Labor policy of jobs for the boys, provision is to be made for a trade union representative to be one of the 5 members of the Authority. He will be appointed not because of his knowledge of the pipeline business or because of his great skill and ability in particular fields of business but to represent the trade unions. This is just another case of jobs for the boys. It is not mentioned in the Bill; if it were, I would move an amendment against it.

Mr Keating—What did you do?

Mr FAIRBAIRN—In every case that I can recall we appointed the most able person available to the board concerned. We selected the person who we thought had the most knowledge and ability. However, this is done because it is Labor philosophy. But what unionists will the appointee represent? Very few people will be working on the pipeline after it is completed; so why have a trade union representative? The Government does not even say which union this appointee will represent.

There is every possibility that I will not have the opportunity to move amendments because of the guillotine which has been brought down by the Government. We are growing used to the fact that the Government does not want to debate matters or to hear people talking about what it is doing and what it is not doing. It wants to push everything through the House. I shall mention the amendments which I will
move provided I am able to do so. I come first to clause 17, sub-clause (2) (a) which states:

A person who enters upon land by virtue of subsection (1)—(a) shall, if it is practicable to do so, before entering upon the land, notify the occupier of the land that he will be so entering upon the land—I do not see how it could possibly be not practicable to do so. Therefore, the Opposition proposes an amendment which would omit the words 'if it is practicable to do so'. The clause will then read: 'shall, before entering upon the land, notify the occupier of the land—'. I cannot believe that it would not be possible to notify the occupier. On occasions it might take a short time to discover the whereabouts of an occupier who was travelling, but I just cannot believe that it is not practicable to notify the owner of the land.

There is a most appalling provision in clause 18. (1) of the Bill, which states:

The Authority, or any person authorized in writing by the Authority to do so, may, for the purposes of this Act—

(a) after giving not less than seven days notice in writing to the occupier of land (including land owned or occupied by the Crown in right of a State), enter upon and occupy the land;

Clause 18 continues in sub-sections (b) and (c) to give tremendous power to 'demolish, destroy or remove on or from land so occupied, any plant, machinery, equipment, goods, workshop, shed, building or road'. This clause provides for a great many other things which I will not bore the House by reading.

It seems to me incredible that a person could have his house, for example, demolished in 7 days time and be expected to leave within that time and find another home. Instead of 7 days notice it would be reasonable to substitute 90 days notice. Even this period would not make it easy for the occupier. Even if a person has a hayshed destroyed he has to build another shed for the hay and shift the hay into the shed. The provision of 7 days notice is quite ludicrous. Clause 33 states:

(1) The Authority is subject to taxation (other than income tax) under the laws of the Commonwealth.

I cannot understand why a private enterprise or State authority should have to pay income tax while the proposed Federal authority should not have to pay income tax. I have very quickly acquired a list of some of the authorities of the Federal Government which do pay income tax. For example, according to Section 23 (d) of the Income Tax Assessment Act the revenue of certain Commonwealth public authorities is exempt from income tax, but this exemption does not extend to some authorities which are public authorities. These include Trans-Australia Airways, Qantas Airways Limited, the Australian Coastal Shipping Commission and many authorities of this type. Many such authorities pay tax. Therefore we believe that the Pipeline Authority should pay tax. Clause 33 of the Bill in sub-clause (2) states:

Subject to sub-section (3), the Authority is not subject to taxation under a law of a State or of a Territory.

Again, what does this mean? Does it mean that the Authority would not be subject to payroll tax, or to motor registration? I should like the Minister to tell the House whether the Authority would have to pay a ton-mile tax, for example, if it is using roads of a State in which a ton-mile tax is applied.

Finally, clause 39 of the Bill states:

Division 4 of Part III of the Petroleum (Submerged Lands) Act 1967-1973 does not apply—
either to this Authority or in relation to a pipeline that the Authority proposes to construct. That in effect means that under the system under which a licence is issued to an authority to build a pipeline from off-shore—it is issued under the joint Commonwealth and State agreement and it is issued by the Designated Authority, who in most cases is the Minister for Mines—the National Pipeline Authority need not get such a pipeline. This to my way of thinking would be a complete abrogation of the agreement which was signed and which was passed through every one of 13 Houses of Parliament when we passed the Petroleum (Submerged Lands) Act 1967-73. I see that my time is up so may I just say once again that while we are not opposed to the establishment of an authority to transport natural gas we believe, in the words of our amendment, that: this House is of the opinion that the Bill should be withdrawn and redrafted so that the National Pipeline Authority provides for Australians a public utility for the transportation at a fair price of petroleum on behalf of producers, distributors and users but so that the Authority may not be used as an instrument of nationalisation of the petroleum industry thereby inhibiting the search for and development of petroleum by private enterprise.

Mr SPEAKER—is the amendment seconded?

Mr Viner—I second the amendment and reserve my right to speak.

Mr KERIN (Macarthur) (3.2)—I am a little disappointed that the honourable member for Farrer (Mr Fairbairn) still seeks to
justify the past Government's attitude on this matter. It is apparent that he still has not fully grasped the magnitude of this issue. Although the Minister for Minerals and Energy (Mr Connor) in his second reading speech said that this Bill is not a complex one, it is also accurate to say that it is a very important and profound one from the point of view of the national interest. The Government has constantly stated that the resources of Australia should be in the hands of Australians for the benefit of Australians. The National Pipeline Authority is part of a wider policy now being drawn up in terms of a national fuel and energy policy. We believe that there is a need for an annual fuel and energy budget to be drawn up so that we can discern our own available supplies and requirements and identify our own national interest in the light of the wider international fuel and energy supply and demand situation.

I have often thought that one of the big differences between the Government Party and honourable members opposite was in the timing of policy action. The previous Government would move when shoved, when action could no longer be decently avoided and when the issue was largely something that had passed by. But I am staggered by the degree to which laissez-faire policies had gone in respect of oil and gas exploration and development and what was potentially to be given away by way of exports. The amount of public investment in oil and natural gas exploration has been of the order of $419m, nearly half of all moneys spent. Yet no Australian share was sought and in many cases little control was exercised in respect of maintaining provisions of agreements. The potential gross value of discoveries so far made, on a conservative basis, exceeds $14 billion. Again it seems likely that the previous Government would have allowed the export of much of the natural gas component of this without ever having identified the national interest.

The 6,000 miles of proposed pipeline will not be built immediately. It does not really matter whether private funds or public funds are used for the construction of the pipeline. The money will be found. It is simply a question of efficiency. Australia currently produces between 60 and 70 per cent of its oil requirements. Without further discoveries it will be producing only 40 per cent in 5 years time and by 1980 less than a quarter. There is a strong case for further exploration, but there is little sense in pouring public funds into exploration when discoveries are simply to be exported. Of course, oil exports are banned but given enough reserves of gas and given declining international reserves, it may well pay to convert natural gas into petroleum in a very short space of time. Developing a national fuel and energy policy will be mainly about doing our sums and finding out what the facts are so that we can act rationally. If we have only 45 trillion cubic feet of natural gas it is necessary to work out just what our requirements are. Estimates vary widely. On present usage we have plenty, but these are only early days in terms of our usage. If we extrapolate Melbourne usage to the national scene and look at the consumption patterns of other countries, it can be calculated that we have only 11 years supply. It is near certain that usage of gas will rise by more than 45 per cent by 1980. The greatest benefits of a national grid will be that charges will be uniform, that decentralisation into centres will be facilitated sooner and that a cheaper fuel resource will underpin Australian industry, perhaps will prevent rises in the costs of some of our basic industrial products such as cement, glass and steel products, and also will provide raw material for some chemical industries.

The natural gas industry is commonly divided into 3 functional divisions—production, transmission and distribution. The Government wishes to be marginally involved in production and totally involved in transmission, but to have little interest in distribution. All other countries effect some form of regulation of the industry in the way in which the Government proposes. In the United States of America the Federal Power Commission has jurisdiction over the interstate transportation of natural gas and over the sale of natural gas in interstate commerce for resale. Although various areas of authority are still poorly defined in the United States, there is the rational desire for Federal control and evaluation of national interest in that country.

The Japanese and United States energy crisis has been canvassed widely. It has been estimated that United States imports of oil and natural gas will be worth of the order of $30 billion in 1985. Japan's consumption of oil will double from 300 million tons in 1975 to 600 million tons 10 years later. Japan and the United States are combining to develop Siberian oil and gas in their own long term interest and, one assumes, that of the Union
of Soviet Socialist Republics. It is clear that Australia and Canada will be heavily involved in the requirements of the United States and Japan. There is a case to say that Australia and Canada cannot be too unwilling or indecisive about supplying natural energy resources because their very lucrative markets may be lost to more agreeable energy resource suppliers, to new energy technology or to energy rationing programs and these markets may be hard to redeem. But there is no urgency. The price of these commodities must increase. All this reinforces my belief that the Commonwealth must be involved, that we must develop policies, that we must identify our own interests and that we must do our sums.

The international scheme of arrangements with respect to the oil industry, which is the biggest industry, must be more fully understood. Some writers are now suggesting that the United States may not face an energy crisis for 15 years and that there may not be a major foreign policy problem for the United States if that country follows less incept policies. For example, Adelman, writing in ‘Foreign Policy No. 9 1972-73’, builds up a case to the effect that the interest of the State Department in stability has maintained a monopoly price for oil some 10 to 20 times higher than the long run incremental cost of producing oil. If the United States and the other major consuming countries achieve a rationalisation of international oil trade, perhaps we will have another set of facts to deal with.

Our own foreign policy must be subservient to domestic policy, but first we must have a domestic policy. This matter needs our earnest consideration. A continuance of a laissez-faire policy, which our opponents proclaim, would leave us like babes in the wood. What the previous Government did not do to look after its own natural resources would make the hair of any self-respecting Australian stand on end. The mistakes made in the coal industry would have continued to be made in the natural gas industry. Dr Joseph Barnea, director of the United Nations resources department, recently stated that what the United States faces now is 'not a crisis of resources, but a lack of planned development'. Instead of placing too many eggs in the still problematical nuclear energy basket, Barnea urges recourse to a variety of long term alternatives, from refineries for low sulphur coal to research into solar and geo-thermal energy.

He says:

The lesson to be learned from the United States' problems is that every nation must pursue a carefully planned program for energy development. Failing that, the crisis will be all too real for every country.

Now other countries are waking up to the magnitude of this problem. Thankfully we have a Minister who is aware of and determined to identify Australia's interests. I support the Bill.

Mr GORTON (Higgins) (3.10)—Like my colleague the honourable member for Farrer (Mr Fairbairn), the previous speaker from this side of the House, I have no objection whatsoever to the purposes for which this Pipeline Authority is to be established. As I see it, the Authority is to ensure that there are interconnections throughout Australia for discovered gas and petroleum supplies generally and to ensure that the fuel so discovered is taken to consuming points, whether those consuming points be in existing cities or whether they be in areas for which cities are planned for the future. The Authority is to ensure that hydrocarbons discovered in Western Australia or in the Northern Territory, for instance, have a means of transportation to markets in eastern areas of Australia. The Authority will make the best use of the natural resources of Australia and ensure that they are available to all parts of this nation, no matter in which subdivision of the nation they may be discovered. It is hard for me to see how anyone can argue against that concept. It is hard to see how anyone can claim that this action is not demanded by the public interest. For myself I would be happy to see it take place with or without consultation with the States and certainly with or without agreement by the States.

I suppose there can be some legitimate discussion on how the aims which I have set out can best be brought about. The first part of that discussion, I imagine, would be as to whether the corporation that carries this out should be a public or private corporation. Those who argue in favour of a private corporation argue that the capital required would not be a drain on public finances, that private enterprise is more efficient than public enterprise and is able to do the job more cheaply. I am afraid that for myself these arguments do not carry conviction. I have never been able to accept the view that public investment should take place only in areas where it was clear that it would be unprofitable and that
there would be a loss. In my view private enterprise naturally, because of its proper requirements, would tend to construct only those segments of a pipeline where there was a profit to be made. Private enterprise, I suggest, would not construct those segments of a pipeline which would need to be constructed if it were clear that no profit would be made from them.

Furthermore, this operation is, of necessity, a truly monopoly operation. It is a truly monopoly operation in the sense that it is not even subject to competition from overseas or subject to competition from a similar kind of transportation. There is no real indication that in circumstances of complete protection and monopoly this operation would be carried out better by a private consortium than it would by public funds. This operation is and must be a monopoly operation. It would be absurd to suggest a duplication or a partial duplication of this pipeline in the way in which, for example, there is a duplication of airline services to provide competition, a duplication of shipping lines to provide competition or a duplication of the Commonwealth trading bank with private trading banks in order to provide competition. In this sense it would be absurd to suggest the construction of a parallel pipeline. I bear in mind also that if some private company does want to construct a pipeline to convey its own product to some other point there is, as I understand it, nothing in this Bill which prevents that company from constructing a pipeline and moving its own goods. If there were something of that nature in this Bill I would be violently opposed to it. But, as I see it, there is nothing of that kind in the Bill.

I would much prefer, as I have said, to see a public monopoly than a private monopoly because I would prefer a situation where the accounts of the Authority were open to scrutiny in this Parliament, as I trust they will be and as I trust each significant transaction it makes will be open to scrutiny in this Parliament. I would prefer to see a situation where there is not an opportunity for oil companies, perhaps as a consortium, or for some oil companies perhaps as a consortium, to manipulate their profit to decide whether it was made in the transportation or in some other area. I want to avoid the danger where some oil companies as a consortium might use the power they had over transportation unfairly to treat their competitors in the oil field who did not own shares in that pipeline authority which would transport the product. So, as well as agreeing with the purpose of the pipeline I agree with it being operated by a public corporation and particularly since, as I have pointed out, there is no suggestion of anybody being compelled to use this authority by law.

Having said this I believe that there are real dangers in the Bill as it stands. These are not so much dangers which are written into the Bill as dangers which exist as a result of the Bill and which ought to be provided against by altering the Bill. Let me suggest what I think some of these dangers are. Firstly I point out that there is no mention of how the price which is to be charged for transportation is to be arrived at. There is not even—and there should be—a provision that the price charged should be the same to all producers including the Authority if it buys some petroleum products and transports them itself. It is essential that this corporation should not differentiate in charges but that the charge should be the same to all producers. This is not provided for in the Bill. There must be no question of a variation of prices to give one producer an advantage over another for the same purpose.

The second danger I think is this: I believe that there should be clarification of how the price to be charged is arrived at. It should be sufficient to cover operating costs, maintenance costs, replacements costs and in my view to pay income taxation and to pay a limited margin of profit into the Commonwealth Treasury in the sense in which perhaps Trans-Australia Airlines or other authorities are required to pay a profit into the Treasury. But it should not because of its monopolistic position be able to charge whatever the traffic will bear and thereby put up the price of a commodity which it transports to users throughout Australia. This is not provided for in the Bill.

Incidentally, when examining the price which should be charged for the transportation of this commodity in this pipeline I think we might well have reached the stage where we could examine whether a component of that price should be the interest normally chargeable to the capital involved in the construction of such a pipeline. It may well be that there would be some who would consider that the community having taxed itself and provided a large amount of capital for the construction of a pipeline need not necessarily go to the further trouble of taxing
itself in order to provide the interest on the money which it has previously taxed to provide itself with funds to build a pipeline. It is possible to consider this point because there is no competition here. It is not a matter of a government enterprise unfairly competing with a private enterprise. It is purely a matter of how most cheaply a commodity which is vital to the interests of Australia can be moved from one part of Australia to another, though we would also need to consider that there would be perhaps some of this commodity which would be exported from Australia, perhaps to the benefit of multi-national companies which we would not particularly wish to help. But nevertheless this whole field, I would suggest, is one to which we could well look when considering the price that should be charged and how it is made up.

Thirdly, I point out that in the Bill there is no obligation placed on the Authority to accept and transport hydrocarbons from whatever source someone wishes to supply them, and there should be such an obligation placed on this Authority. It should not be in a situation in which it can accept business from some fields and some companies and reject business from other fields and other companies without reason—or perhaps for all sorts of reasons including perhaps, wrong reasons. It should be, as a public utility, required to be a common carrier, in the sense in which the railways are a common carrier, and to accept, from whatever source they may come, the goods which it has to transport to the other end. It should be required to act as a common carrier.

It is proposed that the Authority may buy and sell hydrocarbons on its own account. There may be good reason for that; I am not yet fully convinced that there is, but I can see that there could be reasons why this should on occasion be done. I understand that it was not ever intended that it is to be the only buyer and seller and that it is to prevent other people buying and selling; I did hear some suggestion that that was so but I understand that is not so. But if the authority is to buy and sell hydrocarbons on its own account there must be provision to ensure that it cannot charge itself less for transportation than it charges others who have a similar commodity being transported. It would again, I think, be an improper use of a public utility of great value if it were able to buy and sell and, because of that power, charge itself less and put itself in a position of unfair competition with others who wish to have the same goods transported through its pipeline.

In addition, I think the Authority should not be permitted to buy and sell at a profit whether the sale is made at home or abroad. If it is to be properly used, it will be a transportation authority and not a trading authority. It is probably true that it should have the power to buy and sell on its own account but I think that the points which I have raised are absolutely essential if this is to be not only successful but also a fair use of public money for the public benefit.

Mr Clyde Cameron—For use and not for profit.

Mr GORTON—Yes, for use and not for significant profit, though I see no reason why a public utility should not make some reasonable profit for the benefit of the people to whom the profit goes. The Authority should not have the power to discriminate between producers. I have indicated a general approval of the concept and the purposes of this Authority. I have raised no objection to its being run as a public authority and a public utility but I have pointed out some real dangers which need to be recognised and guarded against because I would not wish in any circumstances to see this Authority, which is set up to provide a service to the people of Australia and to provide as cheap a fuel as is possible for the people of Australia to get, do something which it could do if these dangers are not guarded against. It could become an instrument of nationalisation, driving private firms and private companies out of business. I do not think the Authority has been set up to do this but I think it could if safeguards were not provided, as I hope they will be by amendments to the Bill.

Mr KEATING (Blaxland) (3.25)—At the outset of my speech I wish to congratulate the right honourable member for Higgins (Mr Gorton) on his remarks concerning this Bill. I could not help but notice his consistent attitude when he believes that the national Parliament ought to be asserting itself in establishing national priorities. His attitude towards the Territorial Sea and Continental Shelf Bill and his attitude towards the great national project proposed in this Bill are consistent. There seems to be a fundamental argument about the role of the Authority. The amendment moved by the honourable member for Farrer (Mr Fairbairn) suggests that the
Authority ought to be nothing more than a common carrier. The Government believes—and the belief is reflected in the Bill—that the Authority should be able to acquire and sell on a wholesale basis natural gas and petroleum products. The relevant section of the Bill appears under the heading 'Functions, duties and powers of the Authority'. It provides:

(a) to construct pipelines for the conveyance of petroleum recovered from Australian petroleum pools to centres of population and points of export with a view to the establishment of a national integrated system of such pipelines, and to maintain and operate those pipelines;
(b) to convey, through the pipes operated by the Authority, petroleum belonging to the Authority or to other persons; and
(c) to buy and sell petroleum, whether in Australia or elsewhere.

That provision describes the job envisaged for the Authority by the Government. The function of the Authority perhaps could better be explained by this analogy: The Authority will act as a primary reticulation authority. I do not think anyone would suggest that the Sydney County Council, which is the electricity reticulation authority in metropolitan Sydney, is only a common carrier for the Electricity Commission of New South Wales. The truth is quite to the contrary. The Sydney Council Council purchases power at wholesale rates and reticulates it to the metropolitan suburbs, to people living within Sydney. In the same vein, the proposed Authority will purchase natural gas and will convey it to the city gate, where other secondary reticulation authorities within a metropolitan region, such as the Australian Gas Light Co. in Sydney can take it over. While I am mentioning the Australian Gas Light Co. I would like to give great credit to the Minister for Minerals and Energy (Mr Connor) for defeating the obvious manoeuvre of the Australian Gas Light Co. which had planned to build a pipeline between Gidgealpa and Sydney. Eventually the Australian Gas Light Co. pipeline would have moved right across Australia, giving the company complete control of natural gas within the Commonwealth. The Australian Gas Light Co. had detailed plans to accomplish that objective. The initiatives of the Minister in respect of transportation and acquisition of natural gas have ensured that Australia's natural gas will be fairly and adequately distributed.

It seems we are always hearing from supporters of the Liberal Party moans and whines about any project they consider to be socialistic. Honourable members who were here many years ago would have heard similar moans about plans for the Snowy Mountains Hydro-electric Authority which was set up by the national Parliament to do a somewhat similar job in another resource. The critics said that it was an overly nationalistic project and would be too expensive. Yet time has proved that it was well within the capacity of the Commonwealth, as is the planned Authority.

In the United States there are about 170,000 miles of natural gas pipeline to serve a population of about 205 million people. Australia has a population of about 13 million people. On the basis of the ratio of pipeline to population as in the United States, Australia should have between 11,000 and 12,000 miles of natural gas pipeline, whereas only about 3,000 miles of pipeline is to be laid. Lateral pipelines are also to be laid, for instance, from the main pipeline to Orange and Bathurst, and from Sydney north to Newcastle and south to Wollongong. Pipeline is also to be laid from Albury to Melbourne and north to Brisbane. Taking all the laterals into account, about 5,500 miles of natural gas pipeline is to be laid. Clearly this is well inside the ratio which is evident in the United States.

The first stage, to be laid from Gidgealpa to Sydney, runs for about 780 miles. Originally it was to be constructed by the Australian Gas Light Co. through a subsidiary. It is to cost the Commonwealth between $180m and $200m, which is not a great amount in terms of the total annual Budget administered by this Parliament. The Snowy Mountains Authority was financed out of Consolidated Revenue. There is no reason to doubt that this proposed pipeline authority cannot be financed out of Consolidated Revenue. We have heard the figures of $1,700m and $1,800m mentioned as being the final cost of an integrated pipeline system in Australia. But that expenditure is spread over a number of years. If those costs were amortised on an annual basis, we would find it would be a fairly small outlay for the massive return that the people of Australia would receive.

It has been suggested by a number of Opposition members that the Government has no real mandate from the people for this program. This policy was mentioned by the Leader of the Australian Labor Party (Mr Whitlam) in his election policy speech and it
is also incorporated at page 29 of the decisions of the 1971 Federal Conference of the Australian Labor Party. In the section headed ‘Transport’ at 1.(b) it states:

Transmission of natural gas by an interstate ring main to ensure continuity of supplies and uniformity of price.

As every member of this Parliament knows, the Labor Party, unlike the other parties, markets its policies in a platform that is freely available to the people. So, the people understood completely what the Labor Party had in mind in the area of natural gas and petroleum. We intend to see that our natural resources are not plundered and raped by private enterprise in this country and are not exploited for their own purposes.

Honourable members can look at the Australian Gas Light Co. as a classic example. Under the Australian Gas Light Act—a New South Wales Act—the Australian Gas Light Co. was permitted to make a profit which, I believe, was not to exceed 2 per cent of the long term bond rate. But the company established a subsidiary company to construct and operate its natural gas pipeline from Gidgealpa to Sydney. As I said earlier, the company envisaged that not only would it construct that pipeline but also a pipeline right across the Commonwealth. The company also priced the construction of this pipeline on an export potential, which it had no authority to do because the former Minister for National Development in the last Government, Sir Reginald Swartz, had stated on a number of occasions that no export of natural gas would be permitted until the reserves had been proven. Yet, the Australian Gas Light Co. was prepared to attempt to do this. This is just another reason why this sort of pipeline authority should be developed under the control of the national Parliament.

The right honourable member for Higgins said that he did not think that the pipeline authority should be able to make a profit. With an outlay initially of about $200m for the 780 miles, it is obvious that there must be some sort of return on investment and I believe that the Government envisages only a reasonable return. But it would be quite wrong to shackle the authority with provisions in this Bill, which will eventually become an Act, and so limit its whole area of operations. The real bonus with a national pipeline authority is that, if a comprehensive grid system is established, it would permit a lot of decentralisation within our country. As honourable members know, Australia is one of the most urbanised countries in the world, with most of our population centred on our 6 capital cities.

One of the great problems of decentralisation is to find an area which has the heat, energy and water and all the other essentials to establish a town, a city or an industry. Today, the password to the successful establishment of new towns is energy. If energy could be supplied at a uniform cost throughout the Commonwealth, regardless of location, then I think it would be a helpful and useful step towards decentralisation. As members of the Australian Country Party are always talking about decentralisation, I am sure that they would see the value of this Bill in the sense that it would provide cheap supplies of energy to decentralised towns.

In New South Wales many years ago, a Labor government introduced legislation for the uniform pricing of bulk electricity to all authorities within New South Wales so that small county councils were able to receive electricity supplies from the Electricity Commission of New South Wales at a uniform price. So, for instance, the Sydney County Council received its electricity at the same price as the Gwydir County Council or any of the other country county councils. Similarly, the authority proposed under this Bill will be able to supply natural gas at a uniform price throughout the length and breadth of the Commonwealth.

The amendment moved by the honourable member for Farrer does not deserve the support of this House. The amendment states:

... the Bill should be withdrawn and redrafted so that the National Pipeline Authority provides for Australia a public utility for the transportation at a fair price of petroleum on behalf of producers, distributors and users but so that the Authority may not be used as an instrument of nationalisation of the Petroleum Industry thereby inhibiting—

I do not know how it will inhibit—
the search for and development of petroleum by private enterprise.

I do not think that that amendment holds water. Honourable members opposite talk about setting up this massive investment in an authority. But the authority will act only as a common carrier to carry the gas of some private company. After all, the gas belongs to the people of Australia, anyway. I think it would be foolhardy to restrict this Authority to the limits of an Act which did not allow it to purchase and sell gas.
I will not weary the House for very much longer but I wanted to make one last point. One of the other values of a grid system is that it guarantees the supply of gas to all parts of the country. If a large vessel were to collide with one of the off-shore drilling rigs in, for instance, Bass Strait, it could cripple the city of Melbourne overnight. If the city were not interconnected in a grid system supplying gas from Palm Valley, Gidgealpa or any other source of supply within the region, we could find that supplies of gas to a city or a region were restricted. If there happened to be an earthquake of even minor proportions, there could be an interruption of the supply of gas. This is another reason why this system should be integrated into a complete grid.

I believe the House should pay a compliment to the Minister for Minerals and Energy for his concept of a grid system. He enunciated in this House the concept of a grid system a few years ago and he was instrumental in having this provision written into the Federal platform of the Australian Labor Party. Now it has become a Bill for an Act and will become an Act. It will become one of the great national initiatives of this first Whitlam Government. So, I believe that, like the Snowy Mountains Authority and the other things he is doing such as establishing the national minerals and petroleum authority and other authorities, the Minister is laying the guidelines and the foundations for a comprehensive fuel and energy policy for the people of Australia, in perpetuity. I support the Bill.

Mr SINCLAIR (New England) (3.38)—Every citizen of Australia is interested in obtaining power in order to enjoy the fruits of modern living.

Mr Clyde Cameron—You would not know.

Mr SINCLAIR—That is, with the exception of the honourable member for Hindmarsh, who, for the time being, is a Minister of this Government. The rest of us are very concerned at the degree to which there is an availability of power within Australia in order to ensure that we can enjoy this general advantage which comes from the application of energy in the various technologically advanced ways which make the work of the housewife easier and business and communications so much more rapid and simpler than they were not many years ago. This Bill in no way facilitates the availability of supplies of energy to the Australian community. On the contrary, if anything, it intrudes and tends to inhibit the capacity of individual Australians to look after themselves and it represents one of the steps towards the control of the sinews of production, distribution and exchange which the Australian Labor Party has espoused for so long.

It is a Bill which, in its implications, provides far wider controls, restraints and powers in the hands of an authority than anyone could believe necessary if it is to be purely a transportation medium. Of course, the tragedy of it is that there was no necessity for the Bill in the first place. The Australian Gas Light Company and other private enterprise concerns had moved into establishing a national transport grid for the movement of petroleum products. Of course, it is necessary that the movement of these products, the routing of any pipeline and the routing of any transportation mode be under the guidance and control of State and Federal governments. It is necessary that there be a direction to ensure that the interests of communities—both the large metropolises or industrialised cities and the developing decentralised communities—are taken into account. It is necessary that, whatever form of transportation is used, there be a cost-benefit analysis to determine the results, both to the consumer and to the producer of the oil, so that the cost of the petroleum products can be at a minimum and the benefit to the customer at the maximum. There is no requirement, either in the Bill or in the second reading speech of the Minister for Minerals and Energy (Mr Connor), for such a cost-benefit analysis to be taken into account. So, the Country Party is opposed to most of the concepts in the Bill and has quite severe reservations about the extent to which, even with the amendment moved by the honourable member for Farrer (Mr Fairbairn), the facility to be established will achieve anything that private enterprise under proper controls could not have achieved in a far more simple fashion. The Country Party would have far preferred that the Bill be withdrawn and re-drafted so that the national Pipeline Authority could not be used by the Government in its attempt to nationalise the petroleum industry. The Country Party believes that any suggestion for the establishment of a national Pipeline Authority needs to set down in simple and readily understandable form a basis on which it can engage and assist in the planning of the
movement of petroleum products around Aus-
tralia but not in the provision of pipelines, in
the purchase of petroleum products or in the
business of moving petroleum products as the
Authority which is to be constituted by this
Government is intended to do.

That is not to say that in some circum-
cstances and at some times it will not be neces-
sary to have the construction of pipelines by
the Government or for the Government to
provide facilities to move petroleum products;
but what the Country Party believes in respect
of the present circumstances in Australia is
that there should be no intrusion by govern-
ment into an area where there can be uncer-
tainty as to the benefits to the customer
and where there can be no demonstrable bene-
fic in terms of the immediate improvement of
the first major construction in what is to be
a national pipeline grid. In respect of the
Gidgealpa to Sydney route there was already
a privately financed program. It had been
initiated by a private enterprise corporation
in New South Wales. It had been approved,
apparently, by the Government of New South
Wales. Of course, I do not believe that denies
the Commonwealth the right to ensure that the
routing of the pipeline and the general pro-
gram for the future transportation of gas
should be subject to its supervision. But this
Authority in no way is bettering the plan and
program that the Australian Gas Light Co.
put forward. For that reason the Country
Party has very strong reservations about the
advantage to Australia of a Bill of this
character.

The Bill, if it is passed, means the
nationalisation of the natural gas industry
which to date has been developed by com-
panies with the aid of citizens who had faith
in the development of the natural resources
of their country. They showed their faith by
their investment in those companies. That
faith is now to be eroded by this Govern-
ment's heavy handed acquisition of resources
in an indirect manner. It is no wonder that
mining development in this country is slowing
down and people are losing confidence in the
stock exchange. The Government, through
the Minister responsible for this Bill in particu-
lar, is adopting an intervening attitude and a
slapdash approach towards natural resource
development under the pseudonym of new-
found nationalism. Of course it is necessary
that we understand and control the future
development of Australia's natural resources.

It is necessary that we preserve to the maxi-
mum Australia's energy resources for the bene-
fit of Australian citizens. But it is also
necessary that we do not unduly direct funds
which are collected from the taxpayers. In
other words, it is also necessary that we do
not divert resources to the public sector unless
doing so will benefit the Australian customer.
There has been no demonstration to date, in
anything that the Minister has done, which
leads one to believe that the Australian public
will be benefited.

The philosophy of the Australian Labor
Party and the Government's attitude to the
private citizen are spelled out fairly effectively
in clauses 16, 17 and 18 of the Bill. Clause
16 allows the Authority to subscribe for or
otherwise acquire shares in a public company.
This move, backed by the very significant
financial resources of a public authority,
could lead to the Authority becoming the
owner of all Australia's natural gas companies.
No limitation of share acquisition levels is
spelled out. This Government is giving a carte
blanche to the Authority to buy up any of
these companies, if it so wishes. Considering
that in the Bill there is no emphasis on the
Authority having to perform at the highest
level of business efficiency, one wonders what
would happen to the companies with high
share holdings owned by the Authority in
terms of the efficient execution of their tasks.
Of course, there are areas where public auth-
orities demonstrably can provide services for
the community where profit is not essential.
Like the right honourable member for Hig-
gins (Mr Gorton), I am not opposed to public
authorities working for a profit; nor am I
opposed to them being given an incentive to
try to earn a profit.

However, I believe that if they are to earn
a profit one needs to look very critically to
see whether the job could not be performed
as efficiently and adequately by private enter-
rprise. I find it difficult to see that in the con-
struction of this national pipeline grid, the
first part of which is already envisaged, the
Australian community will be benefited in any
way. There is, of course, a capacity within
government and a necessary requirement of
government to supervise the intrusion of a
pipeline into the natural environment. It is
necessary that one be conscious of the degree
to which a route might affect persons who
live along it and ensure that the availability of
gas and energy is provided for to the benefit
of towns, cities and industries and to the nations' advantage. But those functions can equally be carried out without the establishment of a construction authority.

In the Bill there are a number of other proposals with which I am in critical disagreement. For example, the Authority will have 5 members. One member is to be the Secretary of the Department of Minerals and Energy. I do not believe that the Secretary of any Federal Government Department, if he is doing his job properly, has the time or should have the time to perform a role as a director or member of an authority of this character. This is a function which is performed far better by his deputy or by a senior public servant within his responsibility. For that reason I believe that the Secretary should not be the representative of the Department of Minerals and Energy, but that some other civil servant within that Department should be. There is also in the Bill reference to a union member. Whatever the qualifications of a member and whatever organisation he represents, I trust that the selection of that person will mean that once he is appointed he will recognise that his responsibilities are to the Authority and not to the organisation from which he was selected. It is essential, whether in respect of a commodity board in the primary industry sector or a construction authority in this area, that the persons appointed do not pursue their own causes but endeavour to implement the overall purpose for which the body on which they are serving has been constituted.

Clause 13 of the Bill refers to the functions of the Authority. Here I find myself in disagreement with the Bill as it is put forward. The Bill enables the construction of pipelines for the conveyance of petroleum. There are some circumstances in which I can see that such construction is necessary, but in general I believe that it can be performed far more efficiently, adequately and economically by private enterprise. I believe not only that it can be performed by private enterprise but also that it would be more to the benefit of the Australian citizen if it were. I believe that the power to convey, through the pipes operated by the Authority, petroleum belonging to the Authority or to the other persons is necessary in the general context of the Authority operating pipelines, but I do not believe that sub-clause (c) relating to the buying and selling of petroleum is necessary. In that sub-clause I can see the}

undue intrusion of socialism and of all that nationalisation represents. That is another aspect of this Bill which we need to look at very critically.

Clause 17 of the Bill provides power to enter land and take levels. This clause provides for undue intrusion on the rights of the individual citizen, again with minimal protection. Seven days notice is required under clause 18. I believe 7 days to be totally insufficient and that inadequate protection is provided under clauses 17 and 18 of the reasonable proprietary rights of a person who owns his own house and block of land. It is not only big companies which are affected. This Bill affects the small people. The power given in this Bill can affect every householder in Australia. It can affect Mr and Mrs Suburbia. Their block, be it big or small, is equally subject to the power of intrusion, the power of construction—with minimal notice required—and the power to enter upon and occupy the land specified in the Bill. This legislation is a product of this so-called concerned Government—concerned for the future of Australia, concerned with our national identity.

I turn now to liability to taxation. Not only is this construction authority to be given an opportunity to make a profit; it will also be put in a preferential position in relation to everybody else. Apparently it will be put in the position in which it is not to be liable for Commonwealth income tax and, as a result of the fact that it is a statutory corporation and because of the provisions of clause 33, it will be exempt from taxation under a law of a State or a Territory. I regard that clause as being totally repugnant. The whole of the Bill is designed simply as another part of the Labor Party's drive to take over the opportunities of progress which have traditionally been for the individual citizen in our community. I do not believe that public enterprise can perform any better than private enterprise. Of course the establishment of this Authority represents a major investment; of course it is important that energy is made available freely and extensively throughout Australia. But it is important that it is made available to the benefit of the customer and to the benefit of Australia and not to its detriment.

I believe that in its present form there are many aspects of this Bill which need exten-
sive debate, extensive consideration and a considerable review in Committee. I regret that the time allowed for this debate is so short. I regret that it is unlikely, given the number of speakers listed for the second reading stage, that we will have an adequate opportunity to review this measure in the Committee stage. I believe that the general function and application of this Bill will be regressive rather than progressive. I believe that it represents a new step along the line to small time nationalism. It will not make Australia bigger and better; it will contract the opportunities for development. Under the guise of nationalism this Bill will restrict the rights of individual investors and restrict the rights of individual landowners, providing undue intrusion into the opportunities of each of the citizens of our towns and cities around Australia.

I think that it is possible by our amendment to achieve what I think every honourable member on this side of the House sees as a valid objective, to ensure the regulation of our natural resources and the application of energy to the long term benefit of the Australian nation and the individual customer. These objectives can better be achieved by co-operative federalism. By working in conjunction with the State governments and private enterprise the Federal Government could far better achieve what it says to be its objectives. The Australian Country Party has very severe reservations about the Bill. It has reservations about the amendment proposed, but believes that the amendment moved by the honourable member for Farrer at least demonstrates some reservation about the degree to which the Bill can be used as an instrument of nationalisation of the petroleum industry. Therefore, even with some reluctance, the Australian Country Party will support the amendment moved by the honourable member for Farrer.

Mr HURFORD (Adelaide) (3.55)—It is with a great deal of pleasure that I rise to support this Pipeline Authority Bill 1973. If there is one overwhelming thought I have in doing so it is that it is utterly extraordinary that the Liberal Party-Country Party Opposition is not supporting the Bill with enthusiasm, and it is utterly inexplicable that those Parties did not bring in such a Bill when they were in Government. I should like to explain further. In fact, the honourable member for Gippsland (Mr Nixon) a member of the Australian Country Party and former Minister for Shipping and Transport, gave the game away in a debate earlier today when we were discussing the length of time we would have to debate this Bill. He referred to this Bill as a piece of nationalistic legislation. I repeat the word 'nationalistic' because it is a correct word. I do not know what he means by it, but I know what I mean by it. Why on earth should it not be nationalistic? Every loyal Australian wants to reap the benefit of his own birthright, a word that I think I have heard used by the Minister for Minerals and Energy (Mr Connor), who should be congratulated on this Bill.

The natural gas of Australia is the birthright of every loyal Australian. Why on earth should it be left in the hands of some private shareholders and their management—at their whim—when the energy represented by this natural gas is so important for the future development of Australia and for the future standard of living of the people of our country? We have needed a national Government which would exercise the undoubted right of the Australian people to construct such a pipeline as will be constructed after this Bill is passed through the Parliament. Australia needs this pipeline as a common carrier of natural gas. Thank goodness we at last have a Government which will give us this national pipeline.

I have had a good look at this Bill. I can have no sympathy whatsoever with the attitude of the honourable member for Farrer (Mr Fairbairn) or the Deputy Leader of the Country Party, the honourable member for New England (Mr Sinclair), who has just resumed his seat. The honourable member for Farrer gave us a laboured speech—thoroughly laboured. He did not even sound sincere in what he had to say. He mouthed the inevitable words of conservatives—the rather doctrinaire words. I am afraid we heard them again from the Deputy Leader of the Country Party—words of arch-conservatives. Those words were in no way substantiated. It was suggested that the Authority, because it will be a public one, will not be as efficient as a private organisation would. This was never substantiated. Is it claimed that Trans Australia Airlines is less efficient, for instance, than the Ansett airline? The honourable member for Farrer said, and I heard the same proposition in the speech of the Deputy Leader of the Country Party, that the proposed Authority should have been established in conjunction with the States.
What on earth does this mean. Nobody in this Government, or indeed in this Parliament, will set out deliberately to counter the wishes of the States. Everything that the Federal Labor Government is doing or will do will be done, where possible, in co-operation with the States. It is Labor members of Parliament, State and Federal, who have adopted the phrase "co-operative federalism". The only time when there is or will be conflict between the Commonwealth and the States is where the national interest does not conform with the particular State interests. Labor Party members believe strongly that it is the national interest which should prevail.

I believe that the Opposition Liberal and Country parties have forgotten that we have already a statutory authority to do this type of work in one part of Australia. I am referring to the Natural Gas Pipelines Authority of South Australia, set up in 1967 with the complete and splendid support of the business community in my State. I am afraid that I have not inquired whether it had the support in the State Parliament of the then Liberal Party Opposition, but I believe it probably did, and certainly it had the enthusiastic support of the Liberal Party when it was in Government in South Australia from 1968 to 1970.

Mr Hewson—What do you pay for the gas?

Mr HURFORD—The Natural Gas Pipelines Authority of South Australia distributes gas at one of the lowest costs in the world. It is true that this Authority will have representatives of producers and of consumers on its board, but it is my belief after studying the composition of this Authority and after talking with a number of people involved with it that it was not necessary to have such producer and consumer representation on the board.

Whenever there are differences the Government members of the South Australian Authority virtually must make the decisions; in other words, they are calling the tune, as indeed the representatives of the people, which the Government representatives are, should call the tune. I am referring to the Chairman, Mr Norman Young, a well known Australian company director and not, let me say, a supporter of the Australian Labor Party, as far as I know, but appointed to that position by a Labor Party Government, and Mr Leslie Parkin, a former Director of Mines in South Australia and now a director of AMDEL. This is the calibre of people that the South Australian Labor Government has put on the South Australian Natural Gas Pipeline Authority. This is not a new concept. What it does drive home to us is how utterly ridiculous it was that the New South Wales Liberal and Country Party Government did not set up such an authority so that this common carrier of gas from Gidgealpa to the eastern seaboard of our country was in the hands of the people, which at least before we had a national government worth its salt it was not, rather than in the hands of private shareholders.

I have respect for the views of the right honourable member for Higgins (Mr Gorton). Another Labor member, my colleague the honourable member for Blaxland (Mr Keating), has already said what I find myself wanting to say about his contribution to this debate. We welcome his support for the concept of this Bill. He is someone who is not as doctrinaire as the others who have entered into this debate from the other side of the House. I believe, however, that his fears are totally unfounded. He made a contribution about price, among other things. If the dire things that he thought might happen do happen it will be a tremendous boon to all of those in Opposition. They will be able to make something of this at the hustings. They will be able to clobber the Federal Labor Government if these dire things happen and they will be able to use them in their attempt to regain the Government benches, and then they will have the opportunity to put their own people on the board of such an authority, if by any long chance these dire things did happen. But of course they will not happen.

We shall have men of great ability on our pipeline authority. We shall have men who are looking to the future far beyond when natural gas itself is available in Australia. We shall have people on the board of this authority running it efficiently, running it in the interests of the Australian people, making sure that when one well of natural gas dries up it will be possible to plug into the grid another available source of natural gas, available in the interests of all Australians whether they live on the eastern seaboard or the western seaboard. I will not take up any more time of the House. I know that members of the Opposition want to move amendments not only at the second reading stage. Because of the all important legislation we want to put through this Parliament in the short time
available to us, we on this side of the House have agreed to restrain ourselves in the things we would like to say. I end on the note on which I began. This is a thoroughly good day for Australia when we have an authority such as this. I pay a tremendous tribute to the Minister for Minerals and Energy for the energy he has shown in bringing this Bill to the Parliament and getting so far as we have in such a short space of time. It is with those remarks that I support this Bill with enthusiasm.

Mr VINER (Stirling) (4.5)—Listening to the honourable members opposite, one would think that the companies involved in exploration, development and use of petroleum and natural gas in Australia simply know nothing about their industry, that they have no expertise, either local or introduced from overseas, and that therefore the Government in the form of the Minister for Minerals and Energy (Mr Connor) comes to Australia as a new John the Baptist.

Mr Lloyd—The Messiah.

Mr VINER—No, that is left for the Prime Minister (Mr Whitlam). He is the Messiah. But in this area the Minister for Minerals and Energy, the new John the Baptist, displays to the people of Australia all the knowledge that no one had before. He presents to the Government and to the people a whole host of policies. He is to establish the National Pipeline Authority. He is to establish a national fuel and energy authority, and he is to have public ownership maximised within this industry as if there had not been any ownership by the people of any kind before. He is introducing a whole host of new policies as if the petroleum exploration and development industry has been down and out, has merely been a beggar wandering through the prospective oil and gas fields of Australia not knowing what to do. But of course nothing could be further from the truth.

Within a very short time Australia has developed a high capacity and expertise in this field both on the technical side and in management. When the Minister and others on the Government side speak of overseas ownership they never mention the degree of Australian participation in management or the degree of Australian participation in local boards of directors and at that level. All that is forgotten and what we have is this new charter of nationalisation, and that can be demonstrated quite clearly. One hears so much coming from the other side about the national will, public or Australian ownership but when it is shorn of all these high-sounding phrases and when one looks at the policies and platforms of the Australian Labor Party one sees that they are all policies and platforms formulated and implemented in pursuit of the Party's fundamental policy of socialisation of the means of production, distribution and exchange. I think it was the honourable member for Blaxland (Mr Keating) who in congratulating the Minister pointed out that the Minister was the author of the policy on this industry in the Australian Labor Party's platform. I have no doubt that the Minister would not hesitate to say that he formulated that policy aiming to implement, when the Australia Labor Party formed the Government, its policy of socialisation or nationalisation.

It is interesting to see in the Bill the sources of constitutional power that the Minister is endeavouring draw upon. In clause 13 (2) he first seeks to draw upon the Commonwealth's legislative power in respect of trading corporations within the limits of the Commonwealth, and it may be no accident that this authority is declared to be a body corporate. Then of course it is intended to draw on the power to make laws in respect of territories and next the power relating to trade and commerce with other countries, among the States and between territories or between a territory and a State. Finally the Minister, in a time of undoubted peace, seeks to draw on the defence power of the Commonwealth. If nothing more would show the purpose, drawing on the defence power in a time of undoubted peace indicates what the Government is all about. It is seeking to use the limits of the Constitution as it views them and in a way in which it will implement its policy of nationalisation. I have no doubt that on the Governments side honourable members think that at last they have found the key to unlock the Constitution and to enable them to embark upon their policies of socialisation.

The honourable member for Adelaide (Mr Hurford) congratulated the Minister because he was acting in the national interest in developing a national grid. We have heard this phrase 'national interest' for a long time, but while I have been in this Parliament, which
has been the duration of the present Government, I have never heard that phrase defined. The public is never told what it truly means when spoken by Government supporters. This is where the Opposition and the Government draw their political battle lines.

As the honourable member for Farrer (Mr Fairbairn) and the right honourable member for Higgins (Mr Gorton) said, we do not want to see this national grid or national Pipeline Authority made an instrument of policies of nationalisation. That is what the Opposition's amendments say. If this Authority were to set itself up as merely a common carrier and if it were merely to be the national vehicle for transportation on land of oil and gas, the Opposition would not oppose it; in fact, as the right honourable member for Higgins said, we could all congratulate the Minister on proposing such an authority. I would be thankful if the Minister stated unequivocally that all that is intended is that the Authority be and act as a common carrier. I challenge the Minister to declare during this debate that that is the sole purpose of this Authority.

However simple the Bill may seem when one reads it, one would be excused for doubting that that is the sole purpose behind it. Simplicity may be a virtue; but, of course, simplicity may be deceptive. That is the real message that comes out of both the Bill and the Minister's second reading speech. His speech, after all, fills only one page in Hansard on a Bill which is said to be a matter of major national importance. Clause 13 of the Bill speaks of the functions of the Authority being to construct pipelines for the conveyance of petroleum and to convey through the pipeline petroleum belonging to the Authority or to other persons. If the Authority were to be only a common carrier, all it would need to have would be the functions of constructing pipelines and conveying the gas and oil through those pipelines. However, the clause goes on to say that the Authority is to have the power to buy and sell petroleum, whether in Australia or elsewhere. Is it intended then that the Pipeline Authority is to be an importer of oil and gas? If oil or gas is not purchased within Australia but is purchased elsewhere, I would have thought it obvious that that would be from some overseas source.

It is notorious that Australia produces only a light crude oil and does not produce a heavy crude oil, which must be imported from the Middle East. Is it intended that this Pipeline Authority should buy heavy crude oil overseas, import it into Australia, transport it through its pipelines and then sell it? The words 'buy and sell' are very simple, but again very deceptive. The word 'sell' is plain enough. The honourable member for Blaxland said that it is intended only that the Authority should act as a reticulator of gas or oil. But, of course, it need not stop there. To sell can mean literally to sell through the bowser. Is it the intention that the Authority, under the incidental powers given to it by clause 15, should construct distribution points or petrol service stations and go into the selling of petroleum through the bowser? Is it intended that the Authority should set itself up as a distributor of bottled gas, for example, and go into the selling business through all the distribution outlets necessary? These words, 'buy and sell', are so simple, yet so deceptive, and they carry far reaching implications.

This Bill and the Pipeline Authority are another piece to be fitted into the jigsaw puzzle of the actions of this Government and the ramifications of those actions throughout the petroleum industry. Already we have seen the freezing off of overseas funds coming into Australia to support exploration, both presently embarked upon and planned for the future, through the use of exchange control powers by the Commonwealth to control the inflow of funds. We have seen the control over farm-ins that the Government is using again to freeze out any joint ventures between overseas and local companies. The Minister has made a statement about the National Fuel and energy authority, but we have not yet seen a Bill to create it. He says that the Authority would explore for, produce, transport and refine petroleum. We have now had the removal of tax incentives for the raising of equity funds. The removal of those tax incentives will hit, amongst others, bona fide Australian exploration companies. We have heard the Minister announce that it is intended to remove petroleum search subsidies. So all the pieces of the jigsaw puzzle are beginning to fit into place. When one looks at what is being done—the use of these executive powers of the Commonwealth plus the legislation that it is now introducing—one can see that these are intended to implement the socialistic policies of this Government aimed at nationalisation of this industry.

The honourable member for Blaxland spoke of the Pipeline Authority having to be
able to buy wholesale and then sell to the distributor at the end. Is it intended to buy wholesale at the well-head from both on-shore and off-shore producers? If it is intended to buy at the well-head, this Authority could hold the producer to ransom by offering to pay only a low price, because the producer would not be allowed to transport its oil or gas through the pipelines of the Authority. So the Authority would have a monopoly power of the most insidious kind. The people of Australia must ask themselves whether they want this kind of control of the petroleum industry in Australia in the high sounding name of 'national interest', or in the high sounding name of 'maximising Australian ownership'. To the Government 'Australian ownership' quite obviously means government ownership. To the Liberal Party 'Australian ownership' means ownership by the people, and 'the people' means the individuals—you and I, Mr Deputy Speaker—the public, the people as individuals, privately or as shareholders in a company. This is where the Government and the Opposition draw their battle lines.

If the Government by 'maximising Australian ownership' means that it will provide for a national pipeline grid as a means of transportation in the same way as railways are a means of transportation for the goods of individuals, the Opposition would have no objection to it. In fact the Opposition would congratulate the Minister. It would say that the Minister was emulating Andrew Fisher when he brought to Australia the intercontinental railway, bridging the great distance of Australia. If that were the sole intention of the Minister, the Opposition would have no hesitation in supporting him. But honourable members on this side of the chamber see something insidious in this proposition coupled with the other policies that have been espoused by the Minister.

Let us look for a moment at Western Australia and at one other fallacy upon which this Government proceeds. The Government thinks that the producing companies, the private companies—be they overseas or Australian—would have some great objection to a national grid system. They would have no objection to it because it would provide them with a means of transportation for their product. It would allow them to expand the opportunities to market and sell their gas and oil. So this Government need not delude itself about that any more. There is mention in the Minister's speech of a proposal to build a pipeline between Palm Valley and the Kalgoorlie mineral province and Perth, and also from Palm Valley to Dampier. There is no factual support in the speech or in anything in which the Minister has said inside or outside the Parliament to justify such a concept at this stage. It is a quite stupid proposition to think about at the present time. At present there is no overall energy crisis or shortage in the eastern States. The Bass Strait, Gidgealpa and Roma gas fields have sufficient reserves to supply the south-eastern seaboard for at least 30 years without taking into account the unlikely event that no further discoveries are made in these areas. If there is a 30-year supply of natural gas from those fields, what is the purpose of putting a pipeline from Palm Valley to Dampier or from Palm Valley to Perth? There is just no purpose at all in such a proposition. It makes no sense to say that we will build a pipeline at a cost of perhaps $1,000m or so, spanning thousands of miles of desert country, merely to cover the unlikely event that there will be such a catastrophe on the eastern seaboard that none of the gas fields there will be able to supply Sydney and Melbourne. Is it the intention of the Government, in putting forward this proposition, to bottle up the oil and gas discoveries on the north-west shelf for 20, 30 or 40 years because it thinks that the reserves may be required by users on the eastern seaboard?

When the national interest is referred to and when the Australian people are mentioned in a debate of this kind one must think of the people. I speak for the people of Western Australia. They want to know why the Minister proposes to construct a pipeline to take gas from Dampier to Sydney or to Melbourne? Why do this when that gas and oil can be the basis for an immense industry in its own right, for example, a petroleum industry or a liquefied natural gas export industry? That gas and oil used as a fuel could support industries not only in the Pilbara but also down in the southern part of Western Australia. Why is it that the Minister and the Government who have pronounced so loudly their national outlook do not consider the construction of a pipeline from Dampier to Perth? That would be much more logical than the proposal to put a pipeline from Dampier to Palm Valley, traversing country in which there is no local
consumption whatsoever to support the cost of transporting the product. One might ask why they have not considered a pipeline from Dampier to Perth when New South Wales has massive untapped quantities of black coal which can be used as an energy source. New South Wales has massive quantities at the doorstep of Sydney and also at the doorstep of the Minister's own electorate of Cunningham.

I ask the Minister whether as a part of the fuel and energy budget that he is proposing there has been any investigation of the use of the coal of Queensland and New South Wales for energy generation in those States. Would it be cheaper to use fossil fuels which are at your doorstep than to transport other fuels across the continent instead of using them for the development of Western Australia? What part do the discoveries on the north-west shelf play in the fuel and energy budget proposed by the Minister?

Mr DEPUTY SPEAKER (Mr Drury)—Order! The honourable member's time has expired.

Mr JACOBI (Hawker) (4.25) — I rise to support the Bill and to compliment the Minister for Minerals and Energy (Mr Connor). The Bill contains a part of the Australian Labor Party's long standing fuel and energy policy. I refer to the setting up of a national pipeline body to link Australian petroleum fields of proven reserves. The present Opposition has had nothing comparable at all. I was interested in the remark passed by the honourable member for Stirling (Mr Viner) about the Government's jigsaw puzzle. Might I point out to the honourable member that after almost a quarter of a century of Tory government in this country we came into office to find this area in complete shambles. We found on taking office that there was no balanced evaluation at all on a national basis, particularly in the crucial area of fuel and energy. The task was left to this Government to clean up what in fact was a complete mess.

The Pipeline Authority has already been likened to the Snowy Mountains Corporation in its scope and in its importance. I was rather intrigued with the remark of the honourable member for Stirling about the insidious growth of the national Pipeline Authority. Does he consider that the Snowy Mountains scheme was an insidious project? I can well recall, I think from 1947 to 1949, that his own Party boycotted it. I do not know of a more efficient organisation. In fact it was equally as efficient as perhaps one of the largest in the world, the Tennessee Valley Authority in the United States. The initial estimated cost of the Snowy Mountains scheme, which was completed this year, was $800m. On completion the cost was exactly $800m. If that is not efficiency, I do not know what is. That scheme plays an extremely valuable role in Australia's economic fabric and also it returns to the Government a handsome profit each year. What I am trying to point out is this: The function of the Snowy Mountains Corporation when it was proposed was criticised as being outside the Commonwealth sphere. That was put up in 1949. I am not suggesting for a moment that this is the argument which the Opposition is putting in relation to the legislation before the House. But it is as untrue today as it was then in relation to the Snowy Mountains Corporation, and it is even more untrue in regard to the Pipeline Authority.

The Commonwealth should be very concerned with natural resources and works that: (1) are important for defence; (2) involve land acquisition on a large scale; (3) involve (potentially) harm to the environment; (4) are situated in areas remote from seats of State Government; (5) involve a large capital investment; (6) play a potentially large role in the maintenance of balance of payments; (7) involve the seabed around Australia; (8) are national in scope but are subject to conflicting State laws; (9) are situated on Federal territory; (10) are required by citizens in Federal territory; and (11) promote decentralisation. Does the Opposition disagree with that analysis? All of those points underline concerns of pipeline building and maintenance and therefore point to Commonwealth control. If there had not been tardiness by the previous Government the Commonwealth would be giving the States the lead in legislation on this matter.

I was interested also in the remarks passed by the honourable member for Stirling about national aspirations and ownership. He said that ownership means the individual—you and I. Let us analyse the position insofar as the Palm Valley-Sydney link-up was concerned. I suggest that the position with regard to the fight for control of the pipeline from Palm Valley to Sydney was not, in my humble view, over concern to capture the indigenous market. Rather it involved the long term export market potential. Hence the fact that
there is to be a 34-inch pipe. Let us take the current figures in South Australia. I do not suggest for a moment that different figures apply insofar as the 20-year contract for the Palm Valley to Sydney pipeline is concerned. But there is a vast difference between the gate price of 16c a thousand cubic ft and a price of $1.25 a thousand cubic ft at the other end which would have been the terms of the agreement between Magellan Petroleum Australia at Palm Valley and the Pacific Lighting Co. of the western seaboard of the United States.

This national Government is faced with a world energy crisis. Let me compare the figures of the static index and the exponential index insofar as oil and gas are concerned. On the static index we have sufficient reserves of gas resources for about 30 years. On the exponential index the estimate is about 27 to 28 years. It seems deplorable to me that one should be faced with the situation that exists today. Most national governments of the world have reached the stage where no longer can they permit corporations or multi-national corporations to have control over fuel and energy resources and any government that opts to do so is acting completely irresponsibly.

The previous Government subjected itself to the influence of foreign owned companies. The honourable member for Stirling talked about individuals. What does he mean by individuals? Most of the resources of this country in terms of gas and crude oil regrettably are under the control of overseas corporations. Palm Valley is largely controlled by Magellan, United Caruso, Freeport Sulphur and Panatepe which are all of the United States. The only equity that I can recall or understand on Palm Valley is in fact Flinders Non-Liability, and from memory I think we have about 9 per cent of that. If we look at the north-west shelf of Western Australia we find that exactly the same situation applies. We have now reached the stage where overseas corporations control that vast holding to the extent of almost 87 per cent. We have about 13 per cent equity left in that area. The same thing applies equally in respect of Bass Strait where Broken Hill Pty Co. Ltd and Esso are working. Esso-Exxon has a 50 per cent equity in this venture. This is the first of the 7 big multi-national oil corporations.

How much longer can we go on with a situation in which most of the important reserves in terms of fuel and energy in this country could in fact have been controlled, dissipated and exploited by overseas corporations. The other field to which I want to make some reference because I think it is apposite to a matter that was raised this morning is the question of uranium. It is estimated that there will be a shortfall of gas and crude oil by 1985. I have said in the House before and I will repeat it now that 90 billion metric tons of crude oil are currently the world's reserves and that 50 billion metric tons are situated in the Middle East or in North Africa. It is estimated that by 1985 Western Europe, Japan and the United States will have to import crude oil heavily. The United States will have a cost burden for imported crude by 1985 of $32 billion per annum. If one talks in terms of uranium of which we have about 200,000 short tons, it has been estimated that the United States will not be in a position to export enriched uranium after 1980. Already the West Germans are negotiating with the Russian Government to import enriched uranium into West Germany.

The important factor is that the fuel reserves of uranium will be vital by 1985, and it must be a national Government that controls these reserves. This cannot be left, I suggest, to the States or the multi-national corporations. I know this Government will not do so, but any government that opts out of its national responsibility will be casting a gloom over the future prospects of this country. The approach of the previous Government to fuels and energy was correspondingly a piecemeal one and was dependent on the initiative and export incentives of such companies. This applied in the case of Palm Valley.

Commercial control of a national pipeline is not feasible for the reasons I am about to state. I have noted the remarks of the right honourable member for Higgins (Mr Gorton). Firstly, the contracts for pipe building may be in the interests of the companies but not in Australia's interests. Secondly, companies should not be given rights to private land on such a huge scale. Thirdly, some companies maintain an absolute veil of secrecy over their operations. Fourthly, needless legislation on permits, rights to land and so on is eliminated by Commonwealth control and the acquisition of land is already feasible under the Lands Acquisition Act 1955-66. Fifthly, a national policy, not a field by field or a company by
company approach, is desirable. Indeed, I would go so far as to say it is crucial. Sixthly, no company discrimination against people or towns is wanted.

Besides the more mundane building and maintaining of pipelines, the Authority will carry out important policy functions with regard to buying and selling petroleum products. A fine line must be drawn between the rights of the exploration companies with their huge investments based on export hopes, and those of the Australian consumer. Ultimately, of course, the Government will directly go into exploration itself. And so it should. France, Great Britain, Japan and Indonesia do, so why should not Australia? It would be as great a mistake to undercharge the consumer, I suggest, as to overcharge him. Petroleum products are becoming scarcer and must be consumed wisely and valued correctly. I was interested in the remarks that the honourable member for Farrer (Mr Fairbairn) made about the United States. I would like to make the humble observation that whilst I agree that there is a world energy crisis, if one takes the time to analyse the situation in the United States one finds that a high proportion of oil, gas, uranium and fossil fuel is owned and controlled by multi-national corporations.

The second point to be noted is that a high proportion of research expenditure in the United States in recent years has been in the area of nuclear power and a very minute proportion has been in MHD—that is the conversion of fossil fuel whereby one can reduce the pollution content. Had the multi-national corporations diverted their money into research in this area they could have conserved for the United States a far greater proportion of that country's oil and gas. It is my humble belief that if one takes the time to study this matter there is a vast dichotomy between the figures that are tabled by the United States multi-national corporations and those given by the Bureau of Mineral Resources in the United States. It is perfectly obvious what the multi-national corporations in the United States have done and have persisted in since the agreement was reached under which the National Fuel Commission operates in the United States. They pushed a public relations exercise across the board in the United States in the hope that it would force the American Government to decontrol the price control structure in that country. But they did not go far enough. They were very wise not to go far enough to force the Federal Government in the United States to take a hand.

The point I am trying to make is simply this: The situation in the United States could have been alleviated to a marked degree had the national government taken a far deeper interest in the energy problem that currently faces that country. Its failure to do so has put the United States in a position where today its natural gas and particularly its crude oil reserves have reached crisis proportions. This country must never be placed in that situation. The United States may have valued its natural gas too cheaply as compared with other fuels. Natural gas may be cheap to supply, but it is not cheap to replace when the wells give out. I have suggested to the Minister and have made submissions to him to the effect that this country would be well advised to devote a high proportion of its research expenditure to the alternative of long term solar energy. In the world there are 3 important basins—in Central Australia, the Sahara and Northern India. If solar energy becomes economically viable it can be converted to liquid hydrogen which can be pumped throughout Australia by duplicating or utilising the national grid that is set up for natural gas. The national Pipeline Authority should have a policy not only with respect to natural gas but also for the possible alternative energy source—solar energy. Solar energy and nuclear power must not be forgotten simply because Australia is late in developing its natural gas.

I conclude on this point: When the people of Australia realise just how important it is for a nation to control its resources, whether they be oil, gas, uranium or fossil fuel, in the national interest and in terms of the world energy crisis, the Government must be in the position to act in the national interest and, more importantly, in the international interest. I was rather surprised to hear the honourable member for Stirling (Mr Viner) talk about individuals and ordinary corporations. It was found in the Middle East that the countries concerned would never get an increase in their royalty payments if the fields were permitted to be carved up by multi-national corporations. As a result of the unity that resulted from the formation of the Organisation of Petroleum Exporting Countries, the Middle Eastern and North African countries have, for the first time, been able to get a greater return from their crude oil than had they remained as
Individual entities, I support the Bill. I commend the Minister and the Government.

Mr CALDER (Northern Territory) (4.42)—Before speaking to the subject matter of the Bill I should like to refer to some of the remarks of Government supporters. There seems to be some confusion about Palm Valley and the Amadeus Basin. They are miles apart. Palm Valley is the area where gas is now being tapped. One hole is producing 63 million cubic feet a day. Another hole will be tapped by Magellan Petroleum Aust. Ltd, a company which seems to be under attack by Government supporters, especially the honourable member for Hawker (Mr Jacobi), because it is an overseas company. This company and its associates came to Australia and spent millions of dollars exploring Palm Valley and the Amadeus Basin area. They discovered a great supply of natural gas at Palm Valley. I do not know why they should be abused for taking the risk of going into far away outback areas, through which it is difficult to move drilling equipment, and spending money in their operations. In some of these areas there is no water. There is quicksand, salt marshes and sand hills. The company deserves the credit of Government supporters for going into such areas and producing results.

The theme of my address today is that this Bill and all it implies and the Government’s petroleum policy, which was espoused by the Minister for Minerals and Energy (Mr Connor), will tend to drive out companies which have gone into remote areas and risked tremendous sums of capital in exploration works. These companies have explored Central Australia, the Bonaparte Gulf area and the north-western shelf. One of the reasons I am on my feet is to explain that the Magellan Company proposed to the previous Government that it should be permitted to sell some of its products overseas. It proposed to build a pipeline from Palm Valley to the north—to the Gulf of Carpentaria or to the Darwin area. This could have been of great assistance to the Darwin area in the establishment of local industry. It could also have been of assistance in the uranium province which is close to the Darwin area. Yet this company will not be allowed to sell anything. I hope it will be allowed to continue with its proposed refinery at Alice Springs through which it could sell some of its products on the local market. I imagine that negotiations are under way at present. I hope that they are successfully concluded.

Exploration companies have spent millions of dollars. The Amadeus Basin—by this I mean the area of country south of the Macdonnell Ranges and out towards Ayers Rock and Mount Olga, south west of Alice Springs—could well hold oil and/or gas in large quantities. Companies which are prepared to explore such areas should at least be allowed to make good some of the expenses in which they have been involved up to this stage. I do not know who will do the work if risk capital companies, such as Magellan, are not allowed to do it. Will the Government undertake exploration in such areas? I know that in its fuel policy and in its pipeline policy the Government has authority to do almost anything, so I see this Bill as foreshadowing the nationalisation of the oil and gas industry in Australia. This is borne out by the remarks of the Minister in a previous speech.

As was mentioned in the Minister’s second reading speech on this Bill, a large pipeline octopus will be established. Several of its tentacles will be based close to Alice Springs. I imagine that a pipeline will extend from the Palm Valley field to join with the Gidgealpa field and also to supply the areas of Kalgoorlie, Dampier and Darwin. I would commend that proposal highly. As a theoretical approach it is good, but vast distances are involved. It is 1,000 miles from Palm Valley to Dampier, 800 miles to Kalgoorlie, 600 miles to Gidgealpa, and a further 600 miles to Sydney and 800 miles to Darwin. I hope that this pipeline comes to fruition, but I recall what happened with the Snowy Mountains Hydro-Electric Authority which was a great scheme when it was envisaged. It slowed down to a great extent under the previous Labor Government and was picked up and made to go by the Liberal-Country Party Government. I only hope that the same sort of thing will not happen with this pipeline proposal. It is a grandiose scheme. If it is to produce cheaper gas for domestic and industrial purposes all over Australia, it must be commended.

Another point to mention is the fact that vast construction work will be necessary. Employment will be available for many thousands of people. It will be a tremendous
source of employment although, frankly, if I were a pipeline constructor I would not look forward to constructing the section from Palm Valley to Kalgoorlie or from Palm Valley to Dampier. It would be something like building the old telegraph line from Alice Springs to Darwin. That is a fabulous piece of work which was done in the outback. Construction of the pipeline will entail some very fine engineering and a lot of spirit and hard work to get anything done in those areas. It is a grandiose scheme. If it ever gets under way in the far out places of which I am speaking it will be of tremendous value to the country. But what happens to the private enterprise explorers when the Government has moved in with such a heavy hand to take over all the exploration for and transportation of our fuels and minerals? Intrusion into the private investment area is foreshadowed, especially in respect of natural gas.

I have put the main points to which I wished to refer. It is a tremendous scheme but I do not believe that it can benefit the country as much as the Government believes it will because it will drive out the people who already have shown that they are willing to go to the far away places, including out to sea on the north-west shelf or in Bonaparte Gulf. They have been prepared to risk their capital in exploration. I see as a shortcoming the overall, grandiose and heavy handed entry of the Government into pipeline construction and fuel and energy exploration.

Sir JOHN CRAMER (Bennelong) (4.52)—It is quite unusual for me to follow immediately an Opposition speaker in a debate on a Bill as vital as the Bill we are discussing. It seems that the Minister for Minerals and Energy (Mr Connor) has lost the support of his Party colleagues. It is very significant that there are no further speakers from the ranks of Government supporters. Perhaps they think that the matter is unimportant. Perhaps they do not like to continue to support the Minister for Minerals and Energy. Perhaps they do not like him. In any event, they have failed to provide a speaker to follow the last speaker from the Opposition side. One of the most significant points in considering this Bill relates to the opening words of the Minister for Minerals and Energy when he introduced the Bill. They are worth repeating and emphasising. He said:

The Governor-General’s Speech foreshadowed that, in pursuit of its policy for maximising Australian ownership, control, use and development of Australian resources, the Government would introduce legislation to establish a pipeline authority.

That states the Government’s proposal quite simply. It plans to maximise government ownership of the Authority. There is no doubt in my mind that this is a major move by the Government to gain control of a vital base of the country’s development. I do not think anyone would challenge that the distribution of oil, petroleum, gas and so forth is a vital base for the future development of Australia. It is also significant that the decision to set up the Authority was made only after private enterprise, to meet the circumstances that had arisen after the discovery of gas in this country, had already made arrangements for the piping of the gas from the field to the city of Sydney. Honourable members will know that natural gas was first discovered in Bass Strait. Some difficulties then arose in relation to supplying Sydney from Bass Strait.

An alternative scheme to supply the major city of Australia was arranged by the Australian Gas Light Co. The scheme was completed and I understand that contracts had already been entered into. Arrangements have certainly been made and a considerable amount of money has been spent. I believe that the Minister has given an undertaking that no loss will be sustained because of that arrangement, but the fact is that private industry had arranged to provide gas to the great city of Sydney before the Government had made up its mind to establish an Authority. There is no excuse. It was an urgent matter. I understand that the Minister has given an undertaking that there will be no loss of time, but that has still to be proved.

What is the Bill all about? It is a simple Bill, as the Minister has said. Its purpose is to provide a network of pipelines all over Australia. Authority is required for that objective. The pipelines are to carry natural gas, petroleum and other hydrocarbons to the places where they are required. A program has been laid out, but this is something that goes on under an authority of this kind in perpetuity wherever gas and fuel become available and for as long as they are required in Australia. The Authority has the significance of being a complete monopoly for the purpose. It will be very good for the development of Australia, providing that it does not interfere with the kind of society that we want to build in Australia. Power is to be granted to buy and sell the commodities that the pipeline will carry.
It should be mentioned that coal is involved under the definition of 'petroleum'. This bears some significance to the power that is taken to buy and sell the commodities defined in the Bill. The power to buy and sell gives the measure greater significance.

The Authority is to be controlled by a part time chairman and a full time executive member. There are also to be 3 other members. Of those 3, one is to be a trade union representative and one is to be the secretary of the Department of Minerals and Energy. Yesterday I spoke on a Bill which included the same kind of idea. In that instance the Bill provided for the Secretary of the Department of Urban and Regional Development to become the major part of the authority or commission that is to be set up. This move gives absolute political control of the commission or authority that is set up. We do not know who the chairman will be, but one can guess that whoever he and the other members are they will be very socialist minded.

The importance of the Bill is of such a character that the people of Australia must be warned of the significance that is to flow to their way of life from it. In its present form, the authority could, unless the Bill is amended—and amendments are proposed by the Opposition—hold to ransom all private industry development in Australia, if it so desired, It will be only one of a long line of centralised authorities that exercise control of this kind. I do not have time to deal with them all but there are authorities and commissions almost of every kind that honourable members could imagine. It is important to realise that most of them are operating in basic matters fundamental to the development of Australia. These include such matters as were discussed yesterday during the debate on the Cities Commission Bill and such matters as housing, urban development and mining, prospecting and exploration for minerals, oils, gas and so on in Australia. These sorts of controls have been forecast by the Minister for Minerals and Energy. There is no doubt that this Government is hell bent on the socialisation of industry, distribution and exchange which it has fostered and which has been part of the Labor Party's policy for as long as we can remember. This is just a part of its scheme.

On the other hand, the Liberal Party is not opposed to an authority as such to establish a network of pipelines purely as a carrier of the essential means of development in this country. The only objection that we voice by our amendment is the power given to the authority to control production and distribution of the commodities carried by the pipeline. That point should be made plain to the people and it has been made plain in the amendment which we have moved. But the proposed authority is not the same as the Snowy Mountains Authority, as some honourable members opposite have claimed. The Snowy Mountains scheme was a magnificent scheme which was started originally by a Labor government. But that government did not set up the scheme, as honourable members opposite claim. The Snowy Mountains scheme really was put into effect by a Liberal government and it was a magnificent scheme. But the purpose of that scheme was to supply water and bulk power.

The honourable member for Blaxland (Mr Keating) referred to the Sydney County Council. I was Chairman of that organisation for many years and I was a member of it for 21 years, so I know what it is about. There can be no comparison between that body and the authority proposed under this Bill. The Sydney County Council is purely and simply a local governing body. It is elected by the people in the same way as members are elected to this Parliament. It is a democratic organisation which operates under a very restricted charter.

Mr Keating—It still buys electricity.

Sir JOHN CRAMER—It buys electricity in bulk from the Electricity Authority of New South Wales and that electricity is distributed to the people under a very restricted charter of control by the elected representatives of the people. So, this body cannot be compared to the organisation proposed by this Bill.

In my opinion, the States should be consulted in relation to matters of this kind. Indeed, I go further and say that they should be represented on the Authority. There is no doubt that the proposed network of pipelines will be vitally important to the development of the States because it will travel through the 5 States throughout Australia. It is also vital to the orderly national development of our country. This point should be emphasised. The building of the pipeline should be planned and gradual. I hope that the Government does not spend the entire thousands of millions of dollars that the pipeline will cost
at once because the economy just could not take it. There should be a proper consideration of the priorities of development that are required in Australia; otherwise great amounts of money will be lost. No feasibility study has been undertaken as to where the pipelines will be built having regard to the priorities necessary in order to develop Australia. We have no information on this point and in my opinion this is an important ingredient in the way the pipe lines will finally be built. They should be built according to a proper plan.

However, the great concern as I see it will be the loss of encouragement to private industry which will occur. I refer to the producers of the fuel itself and the users at the end of the line, where the gas is used for production purposes and the encouragement of industry. Of course, most important are the people themselves. They should be able to receive the benefit of an efficient supply of fuel without government control that could impose upon them the restrictions which are inevitable in a socialist society.

Mr O'KEEFE (Paterson) (5.6)—This Bill is designed to nationalise the natural gas industry in Australia; every facet of the Bill points in this direction. I was interested to hear the honourable member for Hawker (Mr Jacobi) castigate foreign oil interests for exploring in this country. If foreign capital had not come into Australia and provided the finance and the know how, there would have been no discoveries of oil in this country today. The Australian petroleum industry is providing 60 per cent of our oil requirements. So, it has been very important that we have had foreign companies entering Australia to put down the rigs and drill wells so that we might have petroleum for our own needs.

I would agree with one point made by the honourable member for Hawker, namely, that we should not let these foreign companies take complete control of our industry. Australia should maintain a percentage control but, at the same time, we should encourage these companies to come to Australia for the reasons that I have enunciated—to supply the know how and the capital. There have been some fine petroleum and natural gas discoveries in this country. The honourable member for Hawker deplored the fact that these overseas companies had come and assisted us in this way. There is a great deal of Australian equity in Ampol Exploration Ltd, which has made finds at Barrow Island in Western Australia. Esso-BHP, which was responsible for one of our great finds off the Victorian coast, is controlled by the great Broken Hill Pty Co. Ltd. Here again, if we had not been assisted by the Esso company, this project would not have been developed in the way that it has and would not be providing petroleum resources for this country which are of great advantage to each and every one of us.

In his second reading speech, the Minister for Minerals and Energy (Mr Connor) said that this was a simple Bill. When we have a look at the Bill, we find that it is not so simple. There are many clauses in the Bill which give members of the Opposition considerable cause for concern. The clauses contained in the Bill will give the proposed authority practically unlimited scope in all sorts of fields, quite apart from the provision of a pipeline transporting natural gas from Gidgealpa into the eastern States of Australia and, indeed, right across the entire country. Clause 16 contains 13 paragraphs giving the proposed authority the power to do all sorts of things—to purchase land, to take land on lease, to take easements over land, to sell or otherwise dispose of land, to release any easements over land, to purchase or take on hire plant and so on. To my mind, these clauses will give the authority far too much scope. One of the paragraphs in clause 13 will empower the authority to buy and sell petroleum, whether in Australia or elsewhere.

These clauses indicate clearly that the Bill is designed on nationalisation levels, to nationalise this great industry and that, of course, is the policy of the Government. Such a course will be followed not only in the field of natural gas but also in many other spheres. Private enterprise was quite prepared to develop this undertaking and build pipelines across Australia, without any need for the Government to interfere and provide thousands of millions of dollars of the people's money in a nationalistic enterprise. Private enterprise could have carried this out. I was interested to read some excerpts from articles that appeared in various daily newspapers in this country when the announcement was made that the Federal Government intended to take over this pipeline. The 'Daily Telegraph' on 27th March, under the headline 'Federal Government Win Over Gas Pipeline', said:

The Federal Government has won the major battle in its fight to take control of the proposed $160 million natural gas pipeline from South Australia to Sydney.
The article pointed out that now, instead of private enterprise doing it, public funds have come in to take over the project on a socialistic basis. One of the great men in our gas industry in Australia, Sir William Pettingell, has queried very strongly the reason why the Federal Government has taken over this pipeline. He has stated quite openly that private enterprise—his company in particular—has sufficient funds to pipe this gas from Gidgealpa to the eastern States. Why is it necessary to raise millions of dollars from the public of this country to be put into such a pipeline when this will cause increased taxation and all sorts of things in order to provide this necessary service?

Natural gas is a very important source of power. I have no doubt that overseas countries will desire to purchase natural gas from Australia because world supplies of natural gas, as has been pointed out by previous speakers, are diminishing. In Canada and in the United States of America, as well as in other overseas fields, natural gas supplies are diminishing. We in Australia have a very fine supply of natural gas and consequently will have many overseas buyers for it. Of course, one of these will be Japan. I would caution here against over-selling our supplies in any way, because if we do we could find ourselves in trouble in meeting our own demands. We should give very careful consideration to how we handle the sale of our natural gas. I have noted with interest that Japan is providing the pipes for the natural gas pipeline from Gidgealpa. At present something like $40m worth of pipes is stored in Newcastle ready to be put into the pipeline. This apparently was arranged prior to the Federal Government taking over this pipeline. Sir William Pettingell, the Chairman of the Australian Gas Light Co., had something to say on this question. He said that money is being wasted on the natural gas pipeline. The 'Daily Telegraph' of 26th April reported as follows:

Federal Government plans to link New South Wales and Victorian natural gas pipelines were a 'sheer waste of money', Sir William Pettingell said last night. He was commenting on an announcement that the Federal Government had agreed to build a 20-inch pipeline connecting Wagga, Cootamundra and Albury with the Sydney-Moomba natural gas link.

Sir William is chairman of the Australian Gas Light Company, which has prepared plans for the construction of the main $160m pipeline from South Australia to Sydney.

However, Sir William Pettingell last night described the move as a 'sheer waste of money'.

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'They are tipping money down the drain—an eight inch link would meet the requirements of the country centres for years to come'.

That is from a man who has a great knowledge of the gas industry in Australia. He has been one of the real pioneers in the supply of commercial gas to industry and the supply of gas to our great cities on the eastern seaboard. Whilst we support the establishment of a natural gas pipeline system in this country I—and most other members on this side of the House agree with me—believe that it should be done by private enterprise. This move by the Government to socialise the industry certainly has not my support. We believe in private enterprise, and this Bill does nothing but socialise one of our great industries—an industry that will expand and become of great importance to Australia. The Bill in its present form gives far too much power to the Federal Government. Upon studying it clause by clause, one will see that the Authority has power over practically everything. This is socialisation to the full extent.

Mr CONNOR (Cunningham—Minister for Minerals and Energy) (5.14)—The Opposition in the course of this debate has been rather embarrassed. It could not oppose the concept of a national pipeline system, but it had to drag in the usual set of shibboleths and the usual number of straw men to knock over. The hard fact remains that only the national Government could conceive this measure; only the national Government could put it through; and only the national Government could act in the best interests of the people of Australia. Let me stress that the Australian Labor Party's policy clearly provides, and has for the past 3 years, that it will provide natural gas by a ring main system throughout Australia, at an equal price and with certainty and continuity of supply. That being so, we have nothing to be ashamed of. I am indebted to the right honourable member for Higgins (Mr Gorton) for the comments that he made, because he, alone of the speakers for the Opposition, could adopt a truly national approach.

As for fair treatment, the Australian Gas Light Co. is getting it and getting it to the letter. We have told the company, in respect of its contract for the transmission of gas, that we will transmit the gas through the pipeline. We will stand in the shoes of its subsidiary company, East Australian Pipeline Corporation Ltd, which we will be acquiring.
The purpose of the particular power provided in the Bill is to acquire all 5 shares in that company which are held by the Australian Gas Light Co. In so doing, we are able to obtain the benefit of the feasibility studies and the other contracts that have been entered into. As to handling the matter expeditiously, we will do it strictly in accordance with our undertakings. The Government of Australia has never welshed on a contract, and that goes for the Labor Government, too.

With regard to the other qualms that have been expressed, how else could the problem of the distribution of natural gas have been tackled in Australia? It is well within our competence. In the United States of America there are 170,000 miles of pipeline to serve 205 million people. The comparable mileage in Australia would be 10,000 to 11,000 miles of pipeline. We will be able to do it with much less pipeline than that. Unfortunately, but to keep to the letter of our agreement with the Australian Gas Light Co., we will take the Japanese pipe. We have already accepted delivery of 2 shipments of it and the remainder of it will be accepted in due course. We are paying for it. It might cover 650 miles. As for the rest of the pipeline, when the route of the pipeline is finally determined the pipes will be good Australian pipes built by Australian workmen and we will have reason to be proud of the project. This is a truly national concept and it is only the little Australians who would oppose it and drag in the side issues. Shame on those who are prepared to take that attitude towards it. It is a good concept. In the final days of a previous Labor administration, it brought in the Snowy Mountains scheme. At its opening it was boycotted by the people who today are not prepared to come straight out and oppose the present proposal but who want to quibble and niggle and throw sprags. The Government will complete this project and it will redound to the credit of Australia throughout the world just as the Snowy Mountains scheme has.

I am amazed at the Country Party’s attitude to this proposal, because if anyone has mouthed decentralisation over the years it has been that Party. What better way is there to achieve it than by what the Government proposes? We will be wholesaling natural gas.

Individual members of the Country Party have made personal representations to me on this subject. Natural gas will be provided in cities such as Dubbo, Tamworth, Armidale, Orange of course and Lithgow and Bathurst. I am indebted to the State Minister for Mines, who is a good Australian, for his co-operation. The pipeline will be going south in a proper way where it ought to have gone long ago. If there had not been such purblind parochialism on the part of the former Government— I include the honourable member for Farrer in my strictures—the pipeline would have been built years ago. But it could not have been built because of parochialism. However, we will build it and we will develop it despite the honourable member for Farrer. The honourable member for Farrer notwithstanding, a 20-inch pipeline will go there—and it will go through to Melbourne too. People in Melbourne are breaking their necks to have the pipeline there because they will be able to feed into the system too. This is a national concept and we will go through with it, the Opposition notwithstanding.

Question put:
That the words proposed to be omitted (Mr Fairbairn's amendment) stand part of the question.

The House divided.

(Mr Deputy Speaker—Mr G. G. D. Scholes)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
<th>Majority</th>
</tr>
</thead>
<tbody>
<tr>
<td>61</td>
<td>54</td>
<td>7</td>
</tr>
</tbody>
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AYES

Armitage, J. L.,
Ashley-Brown, A.,
Barnard, L. H.,
Beazley, K. E.,
Bennett, A. F.,
Berlinton, J. M.,
Birrell, P. R.,
Bowen, Lionel
Bryant, G. M.,
Cameron, Clyde
Cass, M. G.,
Coates, J.,
Collard, F. W.,
Connor, R. F. X.
Crean, F.,
Cros, M. D.,
Daly, F. M.,
Davies, R.,
Doyle, F. F.,
Duthie, G. W. A.,
Enderby, K. E.,
Everingham, D. N.,
FitzPatrick, J.,
Pulton, W. J.,
Garrick, H. J.,
Grasby, A. J.,
Gun, R. T.,
Hayden, W. G.,
Hurford, C. J.,
Innes, U. E.
Jacobi, R.

James, A. W.,
Jenkins, H. A.,
Johnson, Keith
Johnson, Les
Jones, C. K.
Keating, P. J.
Koogh, L. J.
Keith, J. C.
Klugman, R. E.
Lamb, A. H.
Lachet, A. S.
Martin, V. J.
Mathews, C. R. T.
McKenzie, D. C.
Morris, F. F.
Morisson, W. L.
Mulder, A. W.
Oldmeadow, M. W.
O'Leary, P.
Paterson, R. A.
Riordan, J. M.
Sherry, R. H.
Stewart, F. E.
Thorburn, R. W.
Uren, T.
Wallis, L. G.
Whan, R. B.
Willis, R.,
Tellers:
Hansen, B. P.
Nicholls, M. H.
Pipeline Authority Bill

16 May 1973

Pipeline Authority Bill

1. **NOES**

   *Adermann, A. E.*
   *Anthony, J. D.*
   *Bonnell, R. N.*
   *Bourchier, W.*
   *Bowen, N. H.*
   *Bury, J. E.*
   *Calden, S. E.*
   *Cameron, Donald.*
   *Chipp, D. L.*
   *Cooke, N. M.*
   *Corbet, J.*
   *Cramer, Sir John.*
   *Drummond, P. H.*
   *Drury, E. N.*
   *Edwards, H. R.*
   *Erwin, G.*
   *Fairbairn, D. E.*
   *Fisher, P. S.*
   *Forbes, A. J.*
   *Fraser, Malcolm.*
   *Garland, R. V.*
   *Giles, G. O.*
   *Graham, B. W.*
   *Hallett, J. M.*
   *Hamer, D. J.*
   *Hewson, H. A.*
   *Holt, R. McN.*
   *Hunt, R. J. D.*

   *Jarmar, A. W.*
   *Kelly, C. R.*
   *Killen, D. J.*
   *King, R. M.*
   *Lloyd, B.*
   *Luczko, P. B.*
   *Lynch, E. R.*
   *MacKellar, M. J. R.*
   *Maisey, D. W.*
   *McLay, J. S.*
   *McMahon, W.*
   *McVeigh, D. T.*
   *Nixon, P.*
   *O'Keefe, F. L.*
   *Peacock, A. S.*
   *Robinson, G.*
   *Robinson, Ian.*
   *Sinclair, I. McC.*
   *Staley, A. A.*
   *Street, A. A.*
   *Turner, H. B.*
   *Viner, R. I.*
   *Wentworth, W. C.*
   *Wilson, L. B. C.*
   *Tellers:
   *England, J. A.*
   *Fox, E. M. C.*

2. **PAIRS**

   *Cairns, J. F.*
   *Cohen, B.*
   *Reynolds, L. J.*
   *Whitlam, E. G.*
   *Gorton, J. G.*
   *Katter, P. C.*
   *Whittorn, R. H.*
   *Snedden, B. M.*

3. **Question so resolved in the affirmative.**

   **Question put:**

   That the Bill be now read a second time.

   **The House divided.**

   *(Mr Deputy Speaker—Mr G. G. D. Scholes)*

   **Ayes**

   | Ayes | 61 |
   | Noes | 54 |
   | Majority | 7 |

   *(Mr WENTWORTH (Mackellar) (5.36)—I move:)*

   That in paragraph (a) after the word 'state' insert the words 'but does not include coal'.

   I believe that this is a matter in which an unintentional error has been made by the Government. The definition of petroleum, as I read it from the Bill, is any naturally occurring hydrocarbon, whether in gaseous, liquid or solid state. That would include coal. I do not believe that the Government meant that. I suggest that we include the words 'but does not include coal'. This could be done in the Senate if necessary. I am sure that it is an error and was not meant.

   **Mr CONNOR (Cunningham—Minister for Minerals and Energy) (5.37)—The amendment is not acceptable to the Government. In point of fact, the definition of petroleum as being any hydrocarbon in solid, liquid or gaseous**
form is taken in toto from the Government's own measure, the Petroleum (Submerged Lands) Act. It is the usual definition. Coal was never contemplated, nor could it adequately be transported in a pipeline of this description.

Mr WENTWORTH (Mackellar) (5.38)—I will not press the point. It is obvious that coal in its powdered form can be transported through a pipeline, but it can also be bought and sold. I do not think the Government means this. Coal is a solid hydrocarbon. Do not let me detain the Committee any longer.

Amendment negatived.

Clause agreed to.

Clauses 4 to 16—by leave—taken together, and agreed to.

Proposed new clause 16a.

Mr WENTWORTH (Mackellar) (5.39)—I move:

That the following new clause be inserted in the Bill:

‘16a. (1) The Authority shall be deemed to be a common carrier and to have the obligations of a common carrier.

(2) Without limiting the generality of sub-section (1), the Authority shall, subject to the capacity of its pipelines, be under obligation to accept petroleum at any point on its pipeline for delivery at any other point on its pipelines, and to charge for such service a fee which is not greater than either—

(a) a fee which is reasonable having regard to the costs incurred by the Authority for such service and for the use of its facilities;

(b) the fee charged to any other customer for such service; or

(c) the fee reasonably included or notionally included in its own accounts for comparable services performed on petroleum in its own ownership.

(3) The Authority shall publish in the Gazette particulars of all contracts which it makes for the transport of petroleum.‘

This is a substantial matter and I would ask the Committee to consider it very carefully. The Minister in his second reading speech spoke of the Authority having a role as a 'common carrier'. I think that if this is what the Minister intends it should be put into the Bill. As honourable members will know, in common law a common carrier has certain obligations. They are the obligations of acting fairly with all potential customers and preventing the exploitation of a monopoly position. If the Minister is reasonable and if he meant what he said—I assume that he meant what he said—he should have no difficulty in accepting into the Bill the words of his second reading speech. In his second reading speech he used the words 'a common carrier'. I have therefore moved that the Authority shall be deemed to be a common carrier and to have the obligations of a common carrier.

Furthermore, in order to make these obligations explicit I have moved certain other additions. My amendment reads in part:

Without limiting the generality of sub-section (1), the Authority shall, subject to the capacity of its pipelines, be under obligation to accept petroleum at any point on its pipeline for delivery at any other point on its pipelines, and to charge for such service a fee which is not greater than either—

(a) a fee which is reasonable having regard to the costs incurred by the Authority for such service and for the use of its facilities;

(b) the fee charged to any other customer for such service; or

(c) the fee reasonably included or notionally included in its own accounts for comparable services performed on petroleum in its own ownership.

These amendments are meant to carry out the principles which were enunciated by the right honourable member for Higgins (Mr Gorton), whose speech the Minister commended so much and whose speech I support in the same terms. If the Minister really meant what he said, he will be inclined to accept this amendment.

The amendment goes to the root of the difficulties that the Opposition has in regard to this Bill. The Opposition is not worried about the national pipeline system. What it is worried about are possible abuses of the national pipeline concept by the Government. They are abuses which I understand the Minister disavows. If his disavowal is honest—why should we accept it as being anything other than honest?—he will not object to including in the Bill the specific provisions which will carry out what should be his honest intention. It is important that the new Authority should not be in a monopolist position which would enable it to abuse that position. Under my amendment the Authority will be compelled to accept, subject only to the capacity of its pipelines, petroleum products from any producer for delivery at any other point on its pipelines. A producer can, if he feels so inclined, build his own pipeline into junction with the Authority's pipeline. But at that point of junction the Authority would, under my amendment, be compelled to accept that petroleum for transport over its pipelines as a common carrier.
My amendment goes on to say that the Authority should not charge an unreasonable amount for this service. Again I refer to what the right honourable member for Higgins said, because I think that the Government might well consider the point he made about including the interest on the pipeline. My amendment says that the fee charged for the service should not exceed the proper cost of that service; nor should it exceed the comparable cost charged to other customers, so that it would not be able to freeze people out; nor should it exceed what the Authority is charging itself for the service of transport of petroleum it has bought over that pipeline. In other words, this amendment will be quite harmless to the Authority if the Authority acts in the honest way in which the Minister believes it will act; but, of course, it is designed to prevent the Authority from doing a dishonest thing. If the Minister is of good faith—let us assume that he is of good faith in this matter, as I am prepared to do—

The DEPUTY CHAIRMAN (Dr Jenkins)
—Order! The time allotted for all stages of the Bill has expired.

Proposed new clause negatived.
Remainder of Bill agreed to.
Bill reported without amendment; report adopted.

Third Reading
Bill read a third time.

INCOME TAX ASSESSMENT BILL
(No. 2) 1973

Bill presented by Mr Crean, and read a first time.

Second Reading
Mr CREAN (Melbourne Ports—Treasurer) (5.47)—I move:

That the Bill be now read a second time.

This is a further measure to amend the income tax law. Amongst its proposals are provisions to give effect to the decision announced on 7th May 1973 to discontinue tax deductions for capital subscribed to mining or prospecting companies. Amendments foreshadowed on 16th July 1972 by the then Treasurer, dealing with misuse of these deductions, are also proposed by the Bill. Section 77D of the Income Tax Assessment Act makes deductions available to residents of Australia for capital subscribed directly, or through interposed companies, to companies engaged in mining or prospecting for oil or other minerals in Australia or Papua New Guinea. To enable shareholders to qualify for the deductions a mining company must lodge with the Commissioner of Taxation a declaration that the capital is for expenditure on mining or prospecting. By making this declaration the company confers deductions on its shareholders but forgoes any entitlement it might itself eventually have to be allowed deductions for the expenditure.

Under section 77C, and provisions which preceded it, deductions are allowable to residents and non-residents alike for one-third of amounts paid as calls to companies engaged in prospecting for minerals in Australia or Papua New Guinea. An exploration company is not required to forgo any part of its own deductions in return for the one-third deduction allowed to its shareholders. The stated purpose of these deductions has been to assist companies to attract capital for mining and exploration projects. They have been a costly and inefficient way of doing this and have opened up avenues for tax avoidance by persons who have contributed little, if at all, towards mining development in Australia.

The Bill proposes that the deductions will cease to be generally allowable for capital paid to mining or prospecting companies after 7th May 1973. As a transitional measure, deductions will remain available for amounts subscribed after that date by a person who owned the shares at that date as payment of an earlier call made by the company. Special provision is also to be made to cover bona fide arrangements where, before the termination date, a listed public company raised new capital, or made a call on its shareholders, to enable it to finance mining or prospecting expenditure by an associated mining company. The associated company will, in these circumstances, be permitted to lodge a declaration when the capital raised or called up by 7th May is subscribed to it by the listed public company. This will preserve the entitlement to deductions of shareholders in the listed company.

Tax avoidance schemes against which the Bill is directed have the purpose of conferring deductions on persons whose contributions of capital to mining or prospecting companies are recovered, wholly or substantially, by an early disposal of their interests. In one typical scheme persons contribute the share capital of
a newly incorporated prospecting company, usually doing this through an interposed private company set up for the purpose. After lodgment of the necessary declarations to confer deductions on the contributors, but before the subscribed capital has been expended, the shares in the prospecting company are sold at a discount to an established mining company which in most cases is substantially owned by overseas interests. The objective of the arrangement is that the persons originating the scheme should obtain deductions for the whole of the capital of the prospecting company, although they are out of pocket only to the extent of the amount of discount allowed on the sale of the shares. The amount of the discount is the only amount of new money being made available for mining or prospecting purposes because all that has really happened is that the established mining company has acquired the unexpended capital of the prospecting company at a discount.

The Bill proposes to amend the law so as to specify that persons carrying a scheme of this kind through to completion after 16th July 1972 will not be allowed deductions for an amount of capital subscribed equal to the sale price of the shares. The deductions will thus effectively be limited to the actual amount of new mining capital contributed. The relevant company will also be regarded as having declared only this amount. Deductions for call moneys under section 77c will be limited in a similar way.

Another scheme proposed to be dealt with by the Bill involves the use of the interposed company provisions of section 77b as a means of circumventing the general rule against the allowance of double deductions for subscriptions of mining capital. Essentially the scheme involves the subscription of capital for mining shares acquired for resale through an interposed company which lodges a declaration in favour of its shareholders. When the shares are sold, the interposed company can claim a deduction against the sale price for the capital subscribed by it on the shares, despite the fact that it has already lodged a declaration to confer a deduction for this amount on its shareholders. The Bill proposes that a company that has lodged a declaration for share capital subscribed to it after 16th July 1972 will not be entitled to claim a deduction in its own right in respect of expenditure of the capital on shares in a mining company.

Other amendments, mainly technical in nature, are proposed to apply from 17th July 1972 for as long as the concessions for capital paid to mining companies continue. One of these amendments will make it clear that, if a mining company does not comply with a declaration under section 77o as to how it will expend specified moneys, the Commissioner of Taxation will be authorised to reduce the level of deductions of shareholders who subscribed the money through an interposed company. Another amendment will overcome a technical deficiency in the law that can enable a productive mining company, by arranging its accounts in a particular way, to defer payment of tax on income up to the amount of deductions that it has transferred to its shareholders through a declaration.

The Bill also contains provisions to give effect to the recently announced decision that the income tax concessions available to visiting experts are to be withdrawn. The concessions available for industrial experts are 2-pronged. First there is an exemption from income tax for up to 2 years where the expert is subject to tax in his own country. Where this exemption does not apply, a rebate of tax is allowable for up to 4 years sufficient to ensure that Australian tax does not exceed the tax that would have been payable in the expert's home country if the income had been earned there. These concessions were introduced in the early post-war years with the aim of assisting in the building up and improving of Australian industry. At that time there was a shortage of local expertise, and overseas experts were reluctant to come here because of the relatively high levels of Australian income tax. Australia did not have double taxation agreements with the countries from which the majority of visiting experts come.

Conditions are vastly different now. Local experts are available in most if not all fields; our rates of tax are more in line with those of the countries from which most visiting experts have been recruited, and Australia has double taxation agreements with most of these countries. On these grounds alone there would have been a good case for withdrawing the visiting experts' concessions. But on top of that there has been evidence that the concessions were not operating as had been intended. About 90 per cent of visiting experts are employed by overseas-owned enterprises, most of which have ready access
to overseas expertise and would, in the normal course and without any concessions, be expected to move experts to and from Australia. Furthermore, instead of using the period for which the concessions are available to train local experts to replace the visiting experts, many firms have merely brought in replacement staff from overseas at the end of each prior visit so that, rather than diffusing overseas expertise through Australian industry, the result has often been the continued employment of overseas instead of local experts. It is estimated that these concessions cost about $7m a year. A large part of this has been given up for the benefit of foreign treasuries without having any effect on the visiting expert or his Australian employer.

For all of these reasons it was decided to withdraw these income tax concessions, and introduce in their place a system of direct grants to Australian enterprises employing visiting experts. Details of this scheme, which will be administered by the Department of Secondary Industry, are being developed now. It has been concluded that, with the withdrawal of the concessions for visiting industrial experts, the exemption for experts who come to assist government should also cease to apply. This Bill accordingly withdraws the present income tax concessions, subject to transitional provisions in relation to visits that commence on or before 30th June 1973 and in relation to visits that commence after that date in pursuance of a contract entered into by the date of the Government's announcement. Legislation to give effect to the grants scheme will be introduced at a later date.

The remaining proposals in the Bill are a result of the introduction by the Commonwealth of schemes to assist with the education of children living in isolated areas and for the payment of a domiciliary nursing care benefit to persons taking care of invalid aged relations in their homes. The amendments proposed in relation to the isolated children's education scheme will ensure that allowances paid under the scheme will receive the same exemption from income tax as payments under the Commonwealth secondary and technical scholarship schemes. Like the scholarship schemes, however, amounts payable for the maintenance or accommodation of isolated children are to be taken into account for the purposes of the concessional deductions for maintenance of dependants, while allowances paid in respect of education costs are to be taken into account in calculating the concessional deduction for a child's education expenses.

Domiciliary nursing care benefit payments are also to be exempt from income tax. It is also proposed that the receipt of these benefits will not disturb the level of any concessional deductions otherwise allowable for the maintenance of a dependant or the payment of medical expenses of a person provided for by the scheme. Detailed explanations of technical aspects of the Bill are contained in a memorandum being circulated to honourable members.

This Bill and the Income Tax Assessment Bill I introduced earlier in the sittings contain important measures directed against tax avoidance. In the Budget sittings I will be introducing legislation to prevent tax haven resort to Norfolk Island and other territories under Australian control. It has not proved practicable to have this legislation drafted for the current sittings, but it will take the form outlined in the statement made by my predecessor on 19th July 1972. It will be operative as from then. As long as the tax laws can be exploited or circumvented by a relatively small number of persons, there can be little fairness in a situation in which the resultant loss of revenue has to be made up by the taxpaying public. The Government is determined to curtail tax avoidance and will move as quickly as possible to deal with fresh schemes as they are encountered. I commend this Bill to the House.

Debate (on motion by Mr Peacock) adjourned.

STANDING COMMITTEE ON ABORIGINAL AFFAIRS

Mr BRYANT (Wills—Minister for Aboriginal Affairs) (6.3)—I move:

(1) That a Standing Committee on Aboriginal Affairs be appointed to inquire into and report on matters referred to it by resolution of the House, the Minister for Aboriginal Affairs or by motion of the committee within the following terms:

(a) to consult with Aboriginal and Island people on policies and programs for their advancement;
(b) to examine the present situation of Aboriginal and Island people, recommend policies for improvements; and
(c) evaluate the effect of policies and programs on Aboriginal and Island people.

(2) That the committee recognise the responsibility of the States in these matters and seek their cooperation in all relevant aspects.

(3) That the committee consist of 9 members, 5 to be nominated by the Prime Minister, 3 to be
nominated by the Leader of the Opposition and one to be nominated by the Leader of the Australian Country Party.

(4) That every nomination of a member of the committee be forthwith notified in writing to the speaker.

(5) That the committee elect as Chairman of the committee one of the members nominated by the Prime Minister.

(6) That the Chairman of the committee may, from time to time, appoint another member of the committee to be the Deputy Chairman of the committee, and that the member so appointed act as Chairman of the committee at any time when the Chairman is not present at a meeting of the committee.

(7) That the committee have power to appoint sub-committees consisting of 3 or more of its members, and refer to any such sub-committee any matter which the committee is empowered to examine.

(8) That 5 members of the committee constitute a quorum of the committee, and a majority of a sub-committee constitute a quorum of that sub-committee.

(9) That the committee or any sub-committee have power to send for persons, papers and records, to move from place to place, and to sit during any recess or adjournment.

(10) That the committee have power to authorise publication of any evidence given before it and any document presented to it.

(11) That the committee be provided with all necessary staff, facilities and resources and have power, with the approval of the Speaker, to appoint persons with specialist knowledge for the purposes of the committee.

(12) That the committee have leave to report from time to time and that any member of the committee have power to add a protest or dissent to any report.

(13) That the committee shall be empowered to confer with a similar committee of the Senate.

(14) That the foregoing provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders.

This motion is in line with the Australian Labor Party's policy understanding that it would establish a Standing Committee on Aboriginal Affairs. We hope that the Committee will be an effective instrument for contacting the Aboriginal people and making their voice heard. The resolution makes ample provision for the Committee to work on its own motion or to carry out investigations as requested by the House or by the Minister for Aboriginal Affairs. As far as I and my Party are concerned, the establishment of this Committee is part of the mobilisation of parliamentary talents of which there is a very large quantity in this House. I hope that the Aboriginal people will derive great advantage from the deliberations of the Committee.

Mr PEACOCK (Kooyong) (6.4)—The Opposition welcomes the motion of the Minister for Aboriginal Affairs (Mr Bryant) to establish a Standing Committee on Aboriginal Affairs. We support the concept of the Standing Committee and the terms as indicated in the notice. The honourable member for Mackellar (Mr Wentworth) and I said on 15th March when speaking on the States Grants (Aboriginal Advancement) Bill that we support all measures for the advancement of the Aboriginal people and their real interest. There should be no doubt about this. We view the Committee with favour and, as we stated then, we do not seek political divisions on this question. If there are political divisions they will be of a nature that we cannot foresee at present. Our prime aim is to look for the advancement of the Aborigines themselves.

I trust that the Committee will provide information to the Australian people, I hope that the reports of the Committee and the sub-committees will be published because there is no doubt in my mind that there is a dearth of understanding in Australia of the complexities and the difficulties of the whole Aboriginal program. I do not want to go into those difficulties and the distinctions between the Aborigines themselves. The fundamental and crucial issue is to consult with Aborigines—that is the primary matter of importance. There has been insufficient consultation in the past. When there has been discussion, too frequently the information that has been forthcoming has not been fully utilised. The opportunity is now before us to evaluate the difficulties and indeed the contradictions in our own program. The Opposition, as I said at the outset, welcomes the motion.

Mr CALDER (Northern Territory) (6.6)—Although I support the motion I would like to warn the Government members of the Committee that for several years Aboriginal affairs have been dealt with on a political basis. I warn honourable members who will make up this Committee that no good for Aborigines or for Europeans will come out of the establishment of this Committee if Aboriginal affairs are to be treated in this way. I concede that the Committee could do a tremendous amount of good for the Aboriginal people. It would do many people good to get out and obtain some first hand information because a lot of people are working on theory only at the moment. I hope that the Committee can assist the Minister for Aboriginal
Mr Cross—Without reflecting on anyone, perhaps I should explain the word 'objective'. I think there are times—and I think we would be prepared to admit it—when we line up in the political arena here, voting for things that we would not cheerfully support. For example, sometimes I have felt great regret when I have been voting to disagree with the Speaker's decision on some matter when I have thought in my own mind that the Speaker was right. Party loyalties dictate that in this place on many of these matters we line up and be counted. But I realise that some of these matters are improving under the present Government. I am delighted with that portion of the motion which states that the Committee will have the assistance of the necessary staff facilities and resources because I find myself in this new Parliament spending most of my time walking from one committee meeting to another, sometimes wondering whether my time is being well used. I think this is a very important part of the provisions for this Committee. Parliamentary committees in this area—in the matter of voting rights and in the matter of land rights for the people of Yirrkala—have played a constructive role and I am sure that this Committee will play a similarly constructive role in the future.

Question resolved in the affirmative.

AGRICULTURAL TRACTORS BOUNTY BILL 1973

Second Reading

Debate resumed from 14 March (vide page 552), on motion by Dr J. F. Cairns:

That the Bill be now read a second time.

Mr Daly (Grayndler — Leader of the House) (6.12)—I move:


I do so because the Bill involved is being superseded by another Bill.

Question resolved in the affirmative.

AGRICULTURAL TRACTORS BOUNTY BILL 1973 (No. 2)

Bill presented by Mr Connor, and read a first time.

Second Reading

Mr Connor (Cunningham — Minister for Minerals and Energy) (6.13)—I move:

That the Bill be now read a second time.
The purpose of the Bill now before the House is twofold. First, it replaces the Bill previously introduced into the Parliament to extend the bounty until such time as the Government had considered the Tariff Board report. Second, it provides legislation necessary to implement the Board's recommendations which have been accepted by the Government. The Government announced its acceptance of the Tariff Board's report on 3rd May and the extension of the provisions of the original Act will terminate on that date. The new provisions, following the Tariff Board recommendations, will be effective from 4th May 1973 and continue to 31st December 1976.

In the new schedule of rates of bounty, consideration has been given to all the disadvantages suffered by local manufacturers including severe competition from overseas manufacturers, and it is considered that, as locally produced tractors do not yet have the capacity to satisfy the home market, bounty is the better method of assisting the industry. Protection by way of customs duty would force up the price of these tractors which cannot be locally supplied. The Bill also includes provision for the registration of premises of new manufacturers similar to those provided in the Metal Working Machine Tools Bounty Act 1972, which was approved by the previous Parliament. Honourable members will also note that all references to the power output of tractors are expressed in metric terms in conformity with the move to total metrication of our weights and measures. I commend the Bill to honourable members.

Debate (on motion by Mr Chipp) adjourned.

Sitting suspended from 6.14 to 8 p.m.

HOUSING AGREEMENT BILL 1973

Bill presented by Mr Les Johnson, and read a first time.

Second Reading

Mr LES JOHNSON (Hughes—Minister for Housing) (8.0)—I move:

That the Bill be now read a second time.

This Bill and 2 Bills that I shall be introducing shortly—the States Grants (Housing) Bill 1973 and the States Grants (Housing Assistance) Bill 1973—are inter-related. The purpose of the Housing Agreement Bill 1973 is to obtain parliamentary approval for the Commonwealth to execute an agreement with each State that will be substantially in accordance with the form contained in the Sch.I to this Bill. The Agreement provides that, during each of the 5 years commencing in 1973-74, the Commonwealth will make advances at low rates of interest to the States for welfare housing purposes. Unlike the housing assistance offered to the States by the former Government, we propose, and the Agreement provides, that our assistance will henceforth be directed towards those families and persons most in need of it. No less than 85 per cent of the family homes to be built by State housing authorities with our advances will be allocated to families where the average gross weekly income of the main breadwinner—exclusive of any overtime and child endowment payments—does not exceed 85 per cent of average weekly earnings per employed male unit as defined in the Agreement. Where the family includes more than 2 children, this will be increased by $2 per week for each child beyond the second. Those eligible will be mainly the lower income families who are paying too high a proportion of their incomes in private rents or are living in unsatisfactory accommodation. The State housing authorities may also use our advances to build homes for couples without dependants where the main breadwinner is an aged person or an invalid with a gross weekly income that does not exceed about 60 per cent of average weekly earnings. A single aged person or an invalid will also be eligible to obtain a housing authority unit where his or her income does not exceed 40 per cent of average weekly earnings.

These families and persons include the majority of those in need of decent accommodation at a modest price. We are determined to ensure that more of this type of accommodation will be built by the State housing authorities than has been built in recent years. To take into account the high cost of constructing a home in some remote areas of Australia and in areas where incomes are on average far higher than in the capital cities, the Minister may approve for those areas somewhat higher needs tests than those that will apply generally throughout the States. To those who will claim that the needs tests to be applied by State housing authorities are too restrictive, our reply is that those most in need of housing assistance, certainly the majority of applicants on the waiting lists
of the States, are persons with relatively low incomes, and that, even with expanded government home building programs, it will be some years before the housing needs of all these persons are met. It is, of course, open to any State to use portion of its approved borrowings or semi-governmental borrowings to build homes for those less in need. The emphasis of our assistance is on the needy.

I wish to make it perfectly clear, Mr Speaker, that despite this emphasis there is no thought that a person who has been allocated accommodation by a State housing authority will be asked to vacate his dwelling if his income subsequently rises above the needs test level. There is absolutely no truth in statements that have been made to this effect. Those statements have emanated especially in Victoria during the current Victorian election campaign. Subject to the granting of priorities in cases of urgent need, dwellings provided with our advances shall be allocated to persons in the order in which their applications are lodged or accepted by the housing authority. The Agreement also provides that each State will ensure that the number of family dwellings allocated by its housing authority to families who satisfy the needs test shall not be less than the total number of family dwellings built with our advances and become available during the year for allocation for the first time, and 25 per cent of the number of family dwellings constructed by the States with financial assistance under this and previous Commonwealth-State Housing Agreements that become available during the year for re-allocation.

Although there is no mention in the Agreement of the maximum rents that may be charged on the dwellings to be built with our advances, this does not mean that the Australian Government is unconcerned about the level of rents to be charged. Indeed, we are most concerned to ensure that the benefit of our housing assistance in the form of a relatively very low rate of interest be passed on to needy families and persons. I have suggested to the States that rents charged to families with incomes close to the upper limit of the needs test should not exceed 22½ per cent of those incomes and that the proportion of income paid in rent should be reduced as income declines. The States have accepted these general guidelines. Infrequent and large increases in rents should be avoided. The Agreement provides that at least once in each financial year a State shall review the financial position in regard to the rental activities of its housing authority and shall ensure that rents are adjusted whenever an increase would appear to be justified.

Whilst the Government is firmly convinced that those most in need of housing assistance are families and persons who are seeking rental accommodation, we are certainly not opposed to home-ownership. Under the proposed Agreement up to 30 per cent of the family dwellings built by housing authorities with our advances may be sold at a fair price to families who satisfy the needs test. For the most part, these will be families who would be unable to borrow privately the finance they need to own their own homes. The interest charge to purchasers, including costs of administration, shall not be more than 5½ per cent per annum. As it is our policy to assist the States to build up a reasonable stock of government homes and so reduce the existing far too lengthy waiting periods in most States, the Agreement provides that a purchaser may not dispose of the dwelling, except by reversion to the housing authority, for at least 5 years after the date of sale. It is recommended that subsequent intending vendors of these homes be required to give the housing authority first option to purchase at a fair market value at that time.

It has been the practice of the Tasmanian Housing Department to sell a very high proportion of newly completed homes. Because of this, we have agreed that that Department will be permitted to sell 50 per cent of the homes built with our advances during the first year of completions—1974—and 40 per cent of the homes built during the second year of completions—1975. Thereafter the 30 per cent ceiling on sales of new homes will apply to all parties to the Agreement. We have not overlooked the most helpful role of the cooperative terminating housing societies in assisting lower income families to own their own homes. Whilst we intend to persuade private lending institutions to make significantly more finance available long term at a reasonable rate of interest for the formation of more co-operative terminating housing societies, we also recognise that this movement will continue to be dependent on receiving a continuing flow of government finance to maintain a desirable level of activity. The Agreement therefore provides that not less than 20 per cent nor more than 30 per
cent of the welfare housing advances by the Commonwealth to a State in a year shall be paid into a home builders' account to be lent to prospective home-owners through co-operative terminating housing societies or a lending authority of a State approved by the Commonwealth. However, at the request of a State Minister and in respect of a State in which its annual allocation to its home builders' account in each of the 2 financial years ending on 30th June 1973 has exceeded 30 per cent of total new advances for welfare housing, the Commonwealth Minister may approve an advance to its home builders' account in a year in excess of 30 per cent of the total Commonwealth advance in that year. This will avoid a disruption of the flow of housing finance to low-income prospective home-owners in South Australia.

In line with our policy of ensuring that our housing advances for welfare purposes benefit the more needy, applicants eligible to receive home builders' account advances will be families consisting of a married or engaged couple, or a single parent or guardian with one or more children, where the average gross weekly income of the main breadwinner, inclusive of overtime but excluding child endowment payments, does not exceed about $2 a week for each child beyond the second. The minimum deposit to be found by a borrower of home builders' account moneys shall be 3 per cent of the value of the property in respect of which the loan is made. The maximum interest charge, including management fee, on these loans is not to exceed the equivalent of 5½ per cent per annum.

The Agreement provides that each State shall advise the Commonwealth Minister before the commencement of each financial year of the amounts it wishes the Commonwealth to advance during the financial year. After consultation with the State Minister, the Commonwealth Minister shall determine the amount to be advanced to the State during the financial year for expenditure by its housing authority and to be allocated to its home builders' account. All advances shall be repayable over 53 years with interest in equal annual instalments. The interest rate payable by a State on Commonwealth advances allotted to its housing authority in each of the next 5 financial years shall be 4½ per cent per annum, and on advances allotted to its home builders' account shall be 4½ per cent per annum.

Commonwealth advances allotted to a State housing authority may be used by the authority: (a) to meet the costs of acquisition and development of land primarily for residential purposes; (b) to meet the cost of construction of dwellings; (c) to meet the cost of purchase and upgrading and renovation of dwellings, and of substantial improvements to its existing dwellings, but not so as to include the cost of maintenance; and (d) subject to the approval of the Minister, to provide bridging finance for community amenities that are not the responsibility of the housing authority.

I wish to draw the attention of honourable members to the last 2 purposes for which our advances may be used. In many cities there are dwellings close to the centre that are in need of upgrading and renovation if they are not to be condemned as unfit for human occupancy. They are ideally situated in relation to amenities and work opportunities, and all essential services are available. When renovated, they can not only provide decent homes for families for many years, but can also improve the quality of the residential environment. We wish to encourage the States to acquire such homes, and upgrade and renovate them, where this can be done at reasonable cost.

The Government is also concerned at the frequent absence of essential community amenities in many new estates developed largely by State housing authorities. In developing areas where the local authority is not yet receiving its full potential revenue from general rates, the Government is willing to approve the temporary use of portion of our housing advances in order to accelerate the provision of essential community facilities where a satisfactory arrangement is entered into between the local and housing authorities.

It is the policy of the Government to avoid the development by State housing authorities of estates in which almost all the residents are in receipt of government housing assistance, and there is a tendency on the part of some people to regard families living in those areas as being second class citizens. We are determined to do our best to prevent such unfair social discrimination. To this end the Agreement provides that, to the maximum extent reasonably practicable, dwellings built with housing authority advances shall be intermingled with dwellings privately constructed, and a State housing authority will acquire
some blocks in residential areas developed by private enterprise, and will construct and let dwellings on those blocks.

Our intention is that our welfare housing advances will not be part of State programs approved by the Loan Council. During the process of negotiation of this Agreement, all State Housing Ministers sought certain assurances in respect to borrowing to be approved by the Loan Council and the minimum allocation for works, including any housing other than welfare housing. Ground-clearing exercises have been carried out by Australian and State Treasury officers so that, at the June 1973 meeting of the Loan Council, Ministers may consider what would be necessary to ensure that what is done on housing does not in itself prejudice the positions of the States on the Loan Council program side when all factors are taken into account. However, as the Government wishes to be in a position to offer the States advances for welfare housing from 1st July next, it is important that the legislation to authorise it to enter into this Agreement, and make advances, be approved by the Parliament during the current sittings. I commend this Bill to honourable members.

Debate (on motion by Mr Bonnett) adjourned.

STATES GRANTS (HOUSING ASSISTANCE) BILL 1973

Bill presented by Mr Les Johnson, and read a first time.

Second Reading

Mr LES JOHNSON (Hughes—Minister for Housing) (8.13)—I move:

That the Bill be now read a second time.

The purpose of this Bill is to authorise the Treasurer (Mr Crean) to make advances totaling $84.6m to the States for welfare housing during the first 6 months of 1973-74. The repayable, interest bearing advances will, as circumstances dictate, be made from either the Consolidated Revenue Fund or the Loan Fund and will be on the terms and conditions set out in the Agreement to be made between the Commonwealth and each State in pursuance of the Housing Agreement Bill. Provision is made for any payments out of Consolidated Revenue Fund for this purpose to be reimbursed in due course from Loan Fund where the Treasurer considers this appropriate.

The maximum amount payable to each State is set out in the schedule to the Bill and is equivalent to half the amount allocated by each State from its Australian Loan Council programs for housing purposes in 1972-73. The advances of these amounts are intended to be made under the Housing Agreement to provide for the States' needs for housing funds in the early months of 1973-74. The total amount to be advanced to each State in 1973-74 for welfare housing purposes, which is yet to be determined, will be the subject of an authorising Bill to be introduced into Parliament during the Budget sittings. I commend the Bill to the House.

Debate (on motion by Mr Bonnett) adjourned.

STATES GRANTS (HOUSING) BILL 1973

Bill presented by Mr Les Johnson, and read a first time.

Second Reading

Mr LES JOHNSON (Hughes—Minister for Housing) (8.20)—I move:

That the Bill be now read a second time.

The purpose of this Bill to amend the States Grants (Housing) Act 1971 is to withdraw the Commonwealth assistance to the States in the form of grants of $2.75m a year for 30 years in respect of any advances they may make to their housing authorities and their home builders accounts during the 3 financial years commencing 1st July 1973. The basic housing grant of $2.75m a year in respect of State housing activities in each of the financial years 1971-72 and 1972-73 will continue to be paid for the remainder of the 30-year periods in respect of those years.

It is intended that from 1st July next the bulk of the Commonwealth's offer of housing assistance to the States will be in the form of advances at a highly concessional rate of interest under an agreement. As, under the agreement, it is proposed that the Commonwealth Minister will determine the amount of welfare housing advances to a State during the next 5 years, the Australian Government will be able to ensure that an increasing flow of finance will be available to the States to enable them to expand the construction of homes for needy persons and families. May I draw to the attention of honourable members that this Bill does not repeal the offer of a grant of $1.25m per annum for the next 3 years to the States as a contribution towards the cost to them of the losses they incur in
letting a number of dwellings at less than their economic rents. I commend this Bill to the House.

Debate (on motion by Mr Bonnett) adjourned.

PRICES JUSTIFICATION BILL 1973
Second Reading

Debate resumed from 9 May (vide page 1890), on motion by Mr Crean:

That the Bill be now read a second time.

Mr ANTHONY (Richmond—Leader of the Australian Country Party) (8.22)—This Bill represents another component of the Government's patchwork quilt and anti-inflationary measures. A bewildering array of measures has been introduced and is about to be introduced to try to keep prices down while wages exert increasingly strong upward pressures. Seeing the inflationary kettle beginning to boil, the Government response is to clamp down the lid and turn up the heat. The only result can be an explosion with many people being scalded.

The Government's attitude is the most easily identifiable symptom of the economic madness afflicting this nation. Trade unions seek wage increases that relate more to aspiration levels than to productivity levels. The Government disburses money on the basis of political inclination rather than on a broad program founded on economic responsibility. Manufacturing industry is exhorted to keep prices down while costs soar upwards. Meat producers are under the threat of income reduction because of recent price increases, despite the fact that over the past decade prices have only just matched cost increases in the industry.

It is economic madness for the Government to run a projected Budget deficit of over $900m and then to be concerned at an overheated economy. It is economic madness for the Minister for Labour (Mr Clyde Cameron) to suggest that a national wage decision adding nearly 6 per cent to the nation's wage bill—he wanted it to be more—should not lead to price increases. It is economic madness for average wages to be increasing by 10 per cent a year when productivity in non-rural industries over the past decade has fallen. It is economic madness for the Government to attempt to remove the legal obstacles to industrial anarchy while at the same time calling for price restraint. It is economic madness to expect an unco-ordinated and hastily erected maze of price restraint devices to alter the basic realities of the present inflation problem in Australia. How bad is inflation in Australia?

Mr Innes—You should know; you caused it.

Mr ANTHONY—The answer is that it is very bad.

Mr Innes—Tell us all about it.

Mr ANTHONY—I wish that the honourable member for Melbourne, who is interjecting, would recognise that this is a serious problem and try to persuade his Party to do something about it. Prices are increasing at a rate of about 6 per cent per annum and all the indications are that the rate is accelerating and soon will be reaching runaway dimensions. This is twice the average rate of the last decade. The chairman of Broken Hill Pty Co. Ltd, Sir Ian McLennan, said recently that an inflation rate of 3 per cent per annum was wearable. Now he says:

I have never struck anything as worrying as what we are going through at the moment.

The Prime Minister (Mr Whitlam) says that he recognises inflation as the nation's No. 1 economic problem. The Treasurer (Mr Crean) says that inflation is the main cloud on the horizon. I suggest that inflation is of more substance as a problem than just a cloud on the horizon. I suggest that it is a major preoccupation of the people of Australia.

If the Government is sincere in its conviction that inflation is a major problem, the first step is for the Government to make it clear that the defeat of inflation ranks first and foremost among its economic priorities. It must match its expression of concern with action. It must rank the defeat of inflation above the soothing of the unions' industrial desires and the smoothing of their feathers. It must rank this battle above the determination of the Prime Minister to deliver the goods by means of increased Government spending. The Government should describe in clear and unmistakable terms the community responsibility which it must exercise if this battle is to be won. This call for Government leadership relates not only to a more forthright expression of Government concern but also to positive indications that the Government is willing to set an example to the rest of the community. It is counter-productive to express concern about inflation and to support union demands for higher wages, shorter hours of work and longer holidays. The Government must accept
the fact that there is a vast difference between being politically popular and accepting national responsibility.

There is nothing essentially mysterious about the inflation that is currently being experienced in Australia. It does not derive from a national bout of profiteering by Australian companies; there is no evidence to suggest that profit margins are being expanded. It is not the result of a national business conspiracy to systematically plunder the consumer in the interests of higher profits. Rather is it the result of wages and salaries racing far ahead of productivity. It is the result of irresponsible Government economic management. It is inconsistent to call for restraint by manufacturers while the Australian Government’s expenditure for the first 9 months of 1972-73 rose by 10 per cent on last year’s level. For the first 9 months of 1972-73 the Government increased expenditure by 10 per cent while its receipts increased by only 5 per cent. To put it simply, our inflation is the result of the work force receiving more than it has earned and the Government spending more than it has received. Australia stands in clear danger of drifting into the same kind of economic chaos that overtook the British economy. Our long term inflationary rate of 3 per cent per annum was admirable by world standards, but we are now inflating at about the same rate as the British.

This Bill does not represent a panacea for the nation’s economic problems. It does not even indicate that the Government has correctly diagnosed the problem, much less seriously considered it. I quote from the second reading speech of the Treasurer on this Bill. He said:

In introducing this Bill the Government is certainly not pretending that some simple solution has been revealed to it. We have, it is true, learnt a good deal from experience elsewhere, and one of the most obvious lessons is that policies to contain inflation must be broad and multi-pronged.

Let us look at the policies tried overseas. In Canada the government established a prices and incomes commission in 1969 which sought agreement from the unions, business and the Government to a program of voluntary restraint. The unions rejected the proposal but business and professional leaders accepted price restraint. The commission turned out to be a failure because wages continued to forge ahead making it impossible to hold price restraint. Voluntary price control measures of the 1960s in the United States of America were as ineffective as the more recent Canadian moves. Governments in the United Kingdom, Canada and the United States of America, to quote some key examples, have tried voluntary price control. There are some important conclusions to be drawn from their experiences.

Firstly, short term price freezes are perhaps successful in the short term, but they merely defer the problem. If they are to succeed they should be seen as an introduction to long term restraints. Secondly, long term restraints if they are to succeed must be more broadly based than on a program of voluntary price restraints without other fundamental restraint measures. Bitter experience overseas has eventually led to a 2-pronged approach utilising firstly monetary and fiscal policies and secondly price control measures accompanied—I emphasise this—accompanied by wage restraints. This is a reality which the Australian Government refuses to face. The Government of the United Kingdom has established a pay board to ensure that wage rises are limited to £1 a week plus 4 per cent but not to exceed £4.8, and a price commission to which large firms and nationalised industries must submit proposed price increases. Increases are allowed only for inescapable costs like wage increases and wage rises within the specified norm. Moreover, trading profit and distributors’ margins are controlled, share options frozen and dividend increases limited to 5 per cent.

The Treasurer claims to have learned a good deal from experience elsewhere. If he has there is precious little evidence of it. The Bill before us represents part of a range of mutually inconsistent and half thought out economic statements made and measures introduced by this Government. The proposed tribunal will not be able to alter the cost pressures at present bearing on prices although it will publicly establish the reality of those pressures. There is no indication of what staff backing will be available to the tribunal in its investigations. There is no indication of what criteria will be adopted in considering what constitutes a justifiable price increase. The tribunal will not be interested in mining and exporting companies. There is something strangely inconsistent in the Treasurer attributing a substantial measure of the rise of consumer prices to meat and then saying: 'We do not care what foreigners pay
for our goods.’ Perhaps the Treasurer is not aware that the meat industry is export oriented and that increases in meat prices reflect the world shortage of meat.

One might pursue the economic logic of the Australian Labor Party a little further and quote from its greatest economic exponent, the Minister for Labour. In a fresh exposition of Cameronian economics he said recently that the Government should attack price rises, not wage rises. ‘It is price rises which after all constitute inflation’, he said. Continuing his expedition into uncharted areas of economics the man who sought $11.50 a week increase in the national wage stated: ‘By discouraging price increases we automatically discourage employers from granting increases in wages and salaries.’ As the final pearl of wisdom he concluded: ‘A prices policy effectively becomes an incomes policy.’ I suggest that the Prime Minister should despatch Mr Cameron with all possible haste to advise Mr Heath of his revolutionary anti-inflationary discovery as a contribution to the restoration of the British economic fortunes. I personally am grateful that the Minister for Labour is not my doctor, for he would be liable to diagnose the cause of old age as thinning hair and need for glasses.

I referred earlier to the unco-ordinated array of anti-inflationary devices being set up by the Australian Labor Party. In case anyone is tempted to think that the remark was empty rhetoric, I shall briefly outline the steps a manufacturer would have to go through if he wished to raise the price of one of his products on an Australia-wide basis. Let us take, for example, a large manufacturer of bread. In South Australia the price of his product would be subject to mandatory price control. If he wished to raise the price in New South Wales he would be subject to the determination of a maximum price by the New South Wales Prices Commissioner. The Labor Opposition in Victoria has promised to introduce price controls if its wins the State election. But this is not the end of the obstacle course. The Joint Parliamentary Committee on Prices set up on 12th April has authority to investigate complaints on the prices the manufacturer is charging and to initiate investigation into price movements in his industry. Furthermore, if his business receipts exceed $20m a year his proposed price increase will be subject to inquiries by the Prices Justification Tribunal. And, as the coup de grace, the Western Australian Government has resubmitted a Prices Control Bill which is being debated at present.

Honourable members may consider this to be an extreme example but I can assure them that it is indicative of the present hotchpotch of anti-inflationary measures set up or being considered in Australia. The Prime Minister’s answer to inflation is to set up—you guessed it—a committee of Commonwealth and State officials to meet in Melbourne on 26th May to consider State action to reinforce the Federal prices justification legislation. It will be of little solace to our bread manufacturer to know that the Prime Minister does not think it realistic to expect really to control wages and salaries.

A simple piece of arithmetic would clearly illustrate the difficulties confronting a prices justification tribunal concept. In 1970-71 350 companies were eligible for examination by a tribunal such as that set up by this Bill. Let us be conservative and assume that each company applies to vary the price of, say, 10 products each year on the average. That adds up to 3,500 price variation examinations a year. Obviously the greater the number of applications the less effective the public impact of subsequent tribunal decisions on each one will be. If after an examination of a proposed price the tribunal gives approval on the ground that the price increase request is based on increased wage costs, the function of the tribunal becomes nothing more than that of a rubber stamping authority. If the tribunal does not allow for wage cost increases, the business seeking to pass on costs will be forced out of production.

I think of no better example than that of BHP in its present predicament. It was prepared to try to co-operate with the Government. It made a request to Mr Justice Moore for an increase of 7 per cent in steel prices, which it felt it needed. On a preliminary examination the commissioner decided that 3 per cent was sufficient. The Government backed up the decision and allowed only a 3 per cent price increase, the result being that BHP has now deferred $1,300m worth of expansion because it is uneconomic to continue. Is this the sort of decision we will get out of a prices justification tribunal? If it is it will only lead to a dampening of expansion and confidence in Australian industry. It seems to make little sense to have such an authority without also attacking other basic
cost pressures. In New South Wales, under a Labor government, such an authority operated immediately after the war from 1946 to 1949, but it was eventually abandoned as it was considered to be useless. It was nothing more than a rubber stamping authority justifying price increases on wage increases which were flowing through.

I am worried by the haphazard way the nation's economy is being handled. I am worried by an evident lack of Government appreciation of the nature of the current wage-prices rat race. The disjointed set of committees and tribunals is no substitute for a systematic and rationally based Government campaign against inflation, but there will be no such campaign until the Government accepts the fact, however unpalatable, that the major contributor to inflation is wage increases in excess of productivity rises. In the current economic environment there are no winners; we are all losers. The wage earner loses because taxation and inflation take the substance out of his wage increases. The manufacturer loses because he is subjected to intolerable cost pressures and possesses little range of pricing options. The consumer loses because the dollar is depreciating in purchasing power by 6 per cent per annum. The exporter loses because Australia's rate of inflation is rising almost as fast as that of any of our major competitors around the world. The pensioner loses because his income is fixed and is being systematically reduced in purchasing power. The farmer loses because he was never able to pass his costs on, and costs are running at such a rate that they are practically out of control and too much for him to cope with.

I call on the Government to recognise the reality of the position and demonstrate some leadership in the matter. What is being discussed is not some paper concept that is of academic interest to certain people but something of concern to all Australians. Inflation, if not checked, can be destructive of the very fabric of our society. It sets the consumer against the producer, the employee against the employer and the farmer against the housewife. I call for serious consideration to be given to the introduction of the concept of productivity bargaining in wage determination procedures. In this process higher pay and other benefits are related to the acceptance by employees of some change in the method and practice of work which will lead to greater efficiency of operations and productivity. This technique was a major innovation in British industrial relations in the 1960s and would inject a fruitful new criterion into the negotiations arena.

This Bill and the attitude it represents are not good enough. What is needed before this perfunctory legislation is enacted is a totally co-ordinated approach by the States and the Commonwealth in attacking all aspects of inflationary pressures. This means that the Commonwealth will have to face up to its obligations by recognising the effects on inflation of wages and incomes and not be frightened and dictated to by trade union pressures and accept that this matter can be overlooked and is of no importance. The Bill is nothing more than a political front to cloud the real issue of inflation and the responsibility of the present Government to do something about it.

Mr WHAN (Eden-Monaro) (8.48)—Unlike the Leader of the Australian Country Party (Mr Anthony), I certainly would never invite the Minister for Labour (Mr Clyde Cameron) to be my doctor. I feel quite sure though that if the Minister for Labour happened to succumb to such a suggestion he would have no difficulty in reaching the proper diagnosis, which undoubtedly would be myopia, the inability to concentrate on any but one single issue, one single election slogan at a time. We have heard tonight that inflation rests solely and wholly on one of the many factors which contribute to price rises—wage claims. To demonstrate and emphasise such a narrowly based argument it is necessary to resort to distortions of the facts as they stand. It is true that this Government has been burdened with a Budget deficit running close to $1,000m. The components of the deficit are interesting. The Treasury has given them in its publication—the Treasury Information Bulletin. Is the Country Party questioning the honesty of the Treasury? The Treasury stated that $638m of this deficit was due to the previous Government's commitments. An extra $260m of this was due to the panic stricken state of that Government as it exploded into the last stages of its reign and it was necessary, it felt, to try to hold the ship together by pouring into the economy another $260m. So out of $1,000m we can attribute $900m to the last Government. So it is necessary to resort to this type of distortion to justify an argument which is so narrowly based that it becomes
An election slogan than can be understood by the simplest of Country Party supporters. Of course, there are many causes of inflation. It is interesting to look at Australia's record in regard to productivity. In 1968 the increase in the productivity index was 3.21 per cent. In 1970 it had fallen to 0.8 per cent. All the time there was a steady 2 per cent per annum increase in wages.

An interesting phenomenon—I suspect that this is one of the areas which the Prices Justification Tribunal will reveal as a major factor in the demand for increased wages—is that marginal tax rates are increasing all the time. The extra dollar that the wage earner gains from the Arbitration Commission is eroded at a greater rate as his income increases. So the taxation schedule, acting as an accelerator on inflation, is a concealed pressure point in this whole process. Also, the flow of money or the availability of funds in this country was increased dramatically during the reign of the previous Government. Assets such as land, in particular, not commodities, were sold at phenomenal prices to overseas interests. This was one of the main factors aggravating the flow of overseas capital into this country.'Money chasing too few goods' was the slogan we heard from honourable members opposite around 1960 and 1961. Indeed, that also happened under the previous Government in the closing stages of its reign. Huge sums of money were flowing into this country to buy land and other assets which were not offset by commodities produced for people to buy.

Another area on which the Prices Justification Tribunal will centre its attention is what is happening in this country in the field of technological development. It is interesting to read from a report produced by the Department of Trade and Industry that a survey based on 1,321 enterprises revealed that research and development expenditure by them was $95m. This represented 1 per cent of the total sales of those enterprises. Seventy-five per cent of those enterprises were wholly or mainly Australian owned, but they incurred only 39 per cent of the total expenditure on research and development; whilst 61 per cent of that expenditure was spent by overseas firms. There is other evidence that Australian enterprises are not responding to the possibilities of increased technological development. There are many reasons for this, so diverse and complicated that only the Prices Justification Tribunal will reveal the areas in which this type of restraint is having an effect on inflation in Australia.

An interesting analysis along these lines, to break down the components of price and identify the pressure points, was published recently in the 'Quarterly Review of Agricultural Economics'. This revealed yet another facet of the sort of information that the Prices Justification Tribunal will reveal. For example, about 4 per cent of the retail price of a woollen suit is the value of the raw materials. On the other hand, something like one-quarter of the retail price of knitting wool is the value of the raw material. In other words, the value added to the suit naturally increases the price. The raw material component accounts for a considerably smaller proportion of the retail price in the case of a suit than in the case of knitting wool. Under different economic pressures the price of a suit may rise and the price of knitting wool, for example, may remain stable, depending on where the price pressure occurs. Only after we have made a detailed examination of the components of price will we be in a position to make a sensible decision about where action must be taken to stem this flow.

Another aspect for the Prices Justification Tribunal to consider will be the actual market mechanism—whether it is a monopoly mechanism, a cartel mechanism or a free competitive situation—that fixes prices. Meat prices will be an interesting study for the Prices Justification Tribunal because I believe from the evidence that is available on the market pricing of meat—there is a lot of evidence available—that meat is a competitively priced commodity. It will be of use to examine these types of markets in order to get a contrast with a monopoly pricing situation. In the case of meat and particularly in the sale of livestock, even at the point where it changes hands from the farmer to the next person in the process—a merchant or a meatworks operator—there are different types of pricing mechanisms which can influence the price paid. For the same total demand on any given day different prices are obtained under the bidding system which is adopted generally in Australia—it is called a progressive bidding system—and under a tender or sealed bidding system. We obtain a different price again if we have a contract arrangement stretching over time.
So it will be necessary for the Prices Justification Tribunal and its allied body, the Joint Committee on Prices, to examine in detail the pricing process for each commodity; otherwise we will never be able to understand how we can correct the situation. For example, in a cartel arrangement it may be that the pricing arrangements are competitive but there are industry agreements which restrict the services available to the industry. It is no good from the consumer's point of view having new technology if among the people involved in the industry there is an industry agreement which prevents that new technology from being applied. So it could be that, instead of attacking wages and profits or in some way attacking the actual monetary implications of the mechanism, we will have to attack an agreement on the question of services offered to the industry.

A very good example of this situation is the industry with which I am most familiar—the wool industry. There can be no doubt that the cartel agreements between the wool selling brokers who are members of the National Council of Wool Selling Brokers were the reason for the restraints on the introduction of technological developments in that area. All I ask from the Country Party, whose members are interjecting, is that it be objective even if it is myopic.

Mr King—What about supply and demand?

Mr WHAN—We have now a situation where technology, which is the main fuel for increases in productivity, in too many areas of Australian industry is subject to restraint for various reasons. The solutions to these problems will at all times be different. It is for that reason that the Bill we are now considering does not define any specific action to be taken in the event of a particular price rise. In one instance it may be action in regard to profits. In another instance it may be action in regard to competition. In yet another instance it may be a recommendation that research and development be carried out to improve the technology, and therefore the productivity, of the particular industry.

In the area of applied technology in this country we are very deficient. We have a great deal of fundamental research but much of this does not find its way into increasing productivity in our industrial situation. It may well be that, by putting its finger on this sort of problem, the Prices Justification Tribunal will point to a completely unexpected outcome of its deliberations. I would expect this to be true if the whole study is, as this Bill will ensure it is, objective in its approach to the consideration of inflation and price rises.

Mr O'Keefe—That is completely futile.

Mr WHAN—We hear from the sidelines that such a thing is completely futile and other comments such as: 'What about supply and demand?' These sorts of comments are typical of the reactions that come from this very slogan orientated approach to the sort of problem we are considering tonight. Supply and demand is, of course, the traditional response. But what does it mean? Supply and demand means that on one side, if demand fluctuates violently in the face of fixed supply, the only thing that can happen is that prices move like a yo-yo. When prices move up and down rapidly we hear squeals from the Country Party. If they are right at bedrock bottom and the price for wool is something like 15c per lb, we hear squeals from the Country Party. That is what happens when we hear talk about supply and demand in this naive and inane fashion.

We need to look at the mechanism behind supply and demand. We need to know what the market mechanism is in order to avoid these unfortunate fluctuations and their effects both on the consumer and the producer. It is of no use shouting slogans at the industry. We must bring to bear on these market problems an objective approach which will help us to understand the very basis of the price formation process. We now have a very effective mechanism to do just this in the form of the Joint Committee on Prices. That Committee will be receiving inquiries from the public and from various industries and it will direct the attention of this place to those pressure points in our economy which need attention. These can then be considered on a larger and deeper scale by the Prices Justification Tribunal, which is the subject of this Bill.

This Bill is designed to overcome one of the difficulties which might confront the Tribunal if no limitation is placed on the area of investigation. The Tribunal will investigate only those corporations whose gross turnover exceeds $20m. This will include most areas of activity in this country. It will mean that the Tribunal is not wasting its time on small industry groups or small struggling industries. It will be considering the very large sector of
our economy—largely overseas owned—which
calls the tune on nearly every pricing arrange-
ment. Therefore, under this sort of restrict-
tion the Tribunal is placed in a workable situ-
ation. About 380 corporations come within
the ambit of its interest and there is comple-
mentarity between this group which I am
talking about now—the Prices Justification
Tribunal and the Joint Committee on
Prices—because it is the Joint Committee
which will have contact with the public and
discuss the issues with the public. It will, as is
quite right and proper, establish the priorities
for investigation indirectly because that Com-
mmittee will respond to the pressures which
the average man in the street and his wife feel
when they shop. I commend this as a very
constructive approach to a very real problem.
It is a problem which I might point out to
this House has not yet been solved in regard
to the theoretical approach of overseas econo-
mists or domestic economists. It is not a price
control measure as is sometimes implied. It is
not a distorted and singular approach to one
aspect of the economy. It is an attempt to get
a basic understanding of our economy which
will then help us to prescribe the appropriate
solution to the problem of prices.

Mr EDWARDS (Berowra) (9.4)—The
Opposition is in a difficult position in relation
to this Bill. In the terms in which the Gov-
ernment has come to use and understand it, it
can be said that it has a mandate for this
type of action. But we will urge the Govern-
ment to have some further thoughts about
this Bill. The Treasurer (Mr Crean) began his
own second reading speech, very properly,
with some account of the theory and practice
in the control of inflation. This is right
because inflation is indeed the No. 1 econo-
ic and social problem that confronts the Gov-
ernment and this proposed Prices Justification
Tribunal fits in as a component of the
Government's strategy. The Treasurer con-
cedes, with appropriate modesty, that the
Government does not pretend that 'some sim-
ple solution' to inflation 'has been revealed to
it', and I would agree that there is no simple
solution. One comment in passing is in order
here. I am sure I can say that it is universally
agreed that a first necessary, albeit not
sufficient, condition for the control of
inflation is to keep an adequate but taut rein
on aggregate effective demand in the econ-
omy. I am pleased to note that the experts of
the Treasury whom, as the Treasurer said a
few days back, 'it is important to keep on tap
but not on top'. have got on top of him on
this point. It was disturbing when in a recent
address to the Company Directors Association
of Australia in Melbourne on 13th April the
Treasurer said:

The Government rejects the concept of over-full
employment as a major cause of inflation.
That is a view right in line with the Prime
Minister's interpretation of the meaning of
full employment which in answer to a question
in this place the other day he gave as meaning
absolute zero unemployment. That, unhappily,
is infeasible and equally, as the Treasurer now
concedes, it is, 'obviously' necessary as part of
an anti-inflationary strategy 'to avoid the
emergence of overall excess demand'. That is
rightly so.

But, as the Leader of the Australian
Country Party (Mr Anthony) quoted the
Treasurer as saying, it also widely recognised
that policies to contain inflation must be
'broad and multi-pronged'. One such compo-
nent is the effort to contend directly with
prices and costs under the now commonplace
heading of 'a prices and incomes policy'. The
proposed Prices Justification Tribunal is a
major step into this area. It is, of course, an
important area of debate as to whether a
prices and incomes policy can or cannot con-
tribute effectively to contain inflation, espe-
cially over the long term. But the consider-
able resort to such measures overseas and
notably in the United States and the United
Kingdom is a pretty compelling reason for
trying. So we must try this along with control
of total effective demand.

The honourable member for Eden-Monaro
(Mr Whan), who has just left the chamber,
referred to the deficit that is emerging. That
is indeed a major component tending to lead
to excess demand. It cannot be attributed to
the actions of the previous Government. We
have explored this in an earlier question with-
out notice. An amount of $630m was in fact
budgeted for by the previous Government as
keeping it within the limits of responsible eco-

conomic control. There were certain changes
of mind after that which account for some $21m
only, but the build-up from that to the pres-
tent figure, which I suggest is now probably
of the order of $1,000m is the present Gov-
ernments responsibility. When the Treasurer
investigated it, it was of the order of $950m,
but it was then acknowledged that that
excluded certain measures which the Govern-
ment had not costed—either the Treasury was
unable or unwilling to put a figure on them. So in that area it is important that the proper restraint be exercised. But in addition, as I have said, there is the field of the effort to contend directly with prices and costs. The mechanism or the shape of a prices and incomes policy can vary widely. There can be variations according to the dimensions, whether it is voluntary or mandatory, whether it is in the short term—including at one extreme a complete freeze as was essayed in the United States from August to November 1971, the main impact of which is to give a shock effect to inflationary expectations—or in the long term; according to the scope of the controls in respect of prices, whether it is limited to firms of a certain size; and so on. In the broad, however, the mechanism is prices and incomes controls, including profits through the price control mechanism and also dividend control. The institution of these sort of policies are, typically, a prices body and a wages body. In the United States there is the Price Commission and the Pay Board. Similar bodies were set up recently in the United Kingdom. The reasons for the 2 bodies are at once technical and operational but also socio-political. They are technical because the mechanism of inflation involves in the broadest analysis one casual chain from price increases to wage demands and wage increases—I concede that—and another from wage increases to price increases.

The essence of an incomes policy is the attempt to restrain the response in each context, in the one case of wage demands to price increases—which stimulate those demands—and in the other, of price increases in response to wage increases. The reasons for this, as I say, are technical. They are also socio-political. There must be not only a more or less equally weighted prices and income control system but it must be seen to be there if any progress is to be made towards the community consensus without which the policy will never work. So I say that by and large we recognise the need and the mandate to establish some institution in the prices area.

The Government in some measure acknowledges not only the necessity for an institution in the prices area, but the need for something on the wages side. I recall words to that effect by the Treasurer in his speech in setting up the Joint Committee on Prices. But it is significant that this debate follows in close juxtaposition to our discussions last week on the Conciliation and Arbitration Bill. It is something of an article of faith of the Labor Party and of the Government that wages are already controlled and hence, in looking towards the institution of an anti-inflation policy, the prices bodies must come first. But by what mechanism are wages and salaries controlled? Minimum rates are fixed by the arbitration tribunals and from time to time the Full Bench takes an overall look and, having regard to one criterion—the capacity of industry to pay, but not only to that; also to equity considerations—it makes a general award wage increase. But, as we discussed at length last week, over a wide area employer-employee negotiations, a form of collective bargaining, is superimposed on the arbitration system in determining actual wages and salaries, and every year the margin by which actual rates forge ahead of statutory minima increases.

What does this Government which is professedly anxious to balance the social equation between prices and wages do in the collective bargaining area? In its new industrial legislation the Government has given every encouragement it could to the further development of that sector. Every restraint on the exercise of muscle by the unions has been, or will be if the Bill ever becomes an Act, taken away. This open season for collective bargaining is a guarantee of excessive wage increases because in this country the principle of comparative wage justice is perhaps more strongly entrenched than in any other country. Where each industry is left, as it will be increasingly under that legislation, to determine its own wage levels and pay formulas, this will lead to excessive wage increases as the pace is set by the industries with the largest pay increases and on comparative wage principles these increases extend to all industries.

So the course that we were on, whereby the Full Bench of the Commonwealth Conciliation and Arbitration Commission could have become something in the nature of a pay board, a board of review of inflationary wage settlements, has been put in reverse. What we have is that on the other side of the equation prices are now to be subject to the most minute surveillance. So the sweet reason of the Treasurer's early speech to which I referred is, I suggest, hollow humbug. The
Government is just not serious about the control of inflation, and the people of Australia need to realise this.

Turning to the specific proposals for the tribunal, I said that prices are now to be subject to the most minute surveillance. At least that is the possibility under this Bill. Clause 18, which I will not read out in full, requires a notification of every price variation by a company. I have one representation on that clause from a company that fits into the $20m sales criterion. This company is a brewery and its main products are beer and stout. But it also owns and runs hotels which sell meals. When the price of steak goes up the price of hotel steak meals also goes up. Does this company have to give notice of every variation in the price of steak meals that it sells in its pubs?

I might say that this is a problem that will arise in other areas of seasonal fluctuation of prices. Perhaps that case is something of an extreme one. I take this opportunity to pass on a representation that has been made to me; but there can be no question as to the potentially vast scope of the operation of this legislation if it is enacted. This clause would not be of such moment if the penalty were not so severe. But the penalty for not notifying a price increase—could this be the price increase of the steak meals in the pub?—is $10,000. I have some recollection that the Treasurer made some remarks, typically in a Press release and not in his second reading speech, about the intended scope of the Tribunal's operations. I would like to hear him further on this matter.

The second matter to which I want to refer is the important aspect of the whole theoretical basis of this operation, namely, the proposition in the second reading speech that—there is in much pricing behaviour, particularly by large firms, a considerable element of discretion—scope to adjust prices without close and detailed discipline of the market.

In some degree there is this discretion, as I have said in other writings on the subject. But it will not be an easy thing for the Tribunal to identify, if and where it exists. It would by no means be always simply reflected in too-high profits. It can get appropriated in higher levels of wages and salaries and fringe benefits in an industry; in selling costs and, perversely, in inefficiency. The honourable member for Eden-Monaro had a good deal to say about this. It will be enlightening to see how the Tribunal can attempt to track this matter down.

Then, of course, there are the problems in most firms of this size of the sheer number of products. I know of one company with over 1,500 products that called in a management consultant to try to determine for it just which of the products were and were not profitable and gave up baffled after a considerable period. There are real problems here in determining the profitability and the rightness of one price over a large range of products arising from the spread of the overhead costs, the common costs and other factors in the firm. Another point in this connection is that if the tribunal were to achieve some success in ferreting out this so-called discretionary excess pricing, the overall contribution to the constraint on inflation at a rate of 5 per cent to 10 per cent could only be marginal. In 1969-70, for the whole manufacturing sector the ratio of operating profit to sales was 8.4 per cent, and of net profits to sales 4.5 per cent. One would be going some to knock that down by even one per cent of final prices, because to do that in a context where the ratio of operating profits to sales is 8.4 per cent would be to effect overall a decrease in profits of 12.5 per cent. Is that really feasible across the board of manufacturing industry?

That gives me the thought that the Tribunal may have the benefit, by way of community education, of demonstrating to the supporters of the Government that business is not the bottomless goldmine—the veritable magic pudding—that so many of them so fondly believe it is. The view is widespread, but not true, that existing prices are too high—some perhaps are, but by and large this is not so—and that cost increases can readily be absorbed without price increases and without damage to the efficiency and the growth of business. If the Tribunal tends to counter this idea, that will be a considerable contribution.

I would mention briefly several further points in conclusion. They arise not only from the all-embracing scope of this legislation but also from its permanency. One is the issue of efficiency in the situation with this Tribunal where increased costs justify a price increase. That can have a significant effect in blunting the incentive to improve efficiency and cut costs. That relates, too, to a second point: If the policy bites too deeply—witness the recent Broken Hill Pty Co. Ltd case this year—in the
effort to succeed as an anti-inflationary measure in a context where costs and especially wages are uncontrolled, it could hardly fail to have an adverse effect on investment and growth. A third point is that if it is made difficult in this way for firms to increase prices, the more surely will they avoid ever reducing prices. But it is an essential component, when one gets into the area of a reduced level of inflation, down to the 2 to 3 per cent range, that prices in areas where productivity is increasing should be reduced.

The Opposition concedes, as I said at the outset, that the Government has a mandate for an institution of this general character. But the Government did not say during the election campaign how this was to operate. There was no mention of a penalty of $10,000 for mere failure to notify a price increase. If considered in terms of the letter of the legislation this Tribunal will require for its operation a truly massive bureaucratic machine. Perhaps the Government will think again about this measure.

Mr HAYDEN (Oxley—Minister for Social Security) (9.23)—May I say with respect that the contribution of the honourable member for Berowra (Mr Edwards) was a little disappointing. He is, after all, the best qualified person, at least on paper, in this House to discuss this subject. He restricted himself unnecessarily in a very conventional way so usual for other members of the Opposition. One would have expected that he would have been above that but he restricted himself almost exclusively to an attack on wages and to a defence of the present system of doing nothing. I do not believe that in his own heart he accepts that this is the answer to the problem of inflation in Australia. I expect that he is in the Party he is in because he subscribes to a belief in the fundamental principles of free enterprise. Therefore I would have hoped that he would have discussed in some detail and given us some extensive analysis of ways in which we might, in fact, achieve a free enterprise economy, a truly competitive free enterprise economy in which resources might be used efficiently and in which, accordingly, the featherbedding which is so apparent in the Australian economy and which in general allows the injection of all sorts of inflationary pressures from a myriad of sources might be eliminated eventually. But the honourable member dealt with none of these matters. It was—unfortunately for him—a predictable speech from a member of the Opposition, but one would have hoped not from him.

The need for some kind of prices justification mechanism in Australia has been very clear for quite a few years; whereas for many years we have had mechanisms for the justification of wages and, to a lesser extent, salaries, there has been no comparable approach to the rewards of capital. It has too often been assumed that investors are delicate hothouse plants, who would wither away at the slightest hint of the cold winds of competition or criticism. It is ironic that the same people who, on the other side of the House, now are so concerned about the delicate plant of private enterprise are the very same who, when it comes to ideological argument, are so assertive of the virility and superior strength of private enterprise.

They have taken the attitude that wage earners have had no choice but to accept the determinations of wage justification processes or starve. Wage earners have had no option but to accept these processes, in the name of the sanctity of profits as the engine of capitalist investment and economic growth. We, by contrast, are able to see that the possible disincentive effects of profit regulation are much on a par with those of wage regulation. If a price justification mechanism is likely to deter and harm the operations of investors—profit earners, that is—why should not a wage justification mechanism have an equally harmful effect on the amount of effort which wage earners are willing to exert?

The fact that this possibility has been recognised in the past is not unconnected with the willingness of conservative governments to introduce coercive measures directed against wage earners to force people to work for wages lower than they themselves would be prepared to accept and felt were justified in similar conditions whether by way of measures of fiscal policy designed to create unemployment, or by corrective measures against the recipients of unemployment benefits. Such governments of the past have been only too happy to sacrifice economic growth, and waste economic resources through unemployment, in order to enforce their own concepts of justification of wages. However it is not enough and it is not this Government's intention to penalise the whole community in the name of wage or price justification. Rather, we have taken the approach of adopting the least
authoritarian and coercive approach to the problem of prices in the present period of world-wide inflation that is compatible with a proper concern for the interests of the community.

By setting up what is deliberately named a Prices Justification Tribunal, as what may be either an interim or a long-term approach, the Government is hoping to encourage the sellers of goods and services to adopt the same kind of social responsibility which has for years been accepted on the whole by the wage earners under the arbitration system. We do not expect our proposed tribunal to be exempt from criticism, any more than the arbitration system has been, but we rely on the essential reasonableness of Australians which has supported what the great Mr Justice Higgins called 'a new province for law and order' to support the effective operation of the Tribunal.

The primary function of the Tribunal as proposed in the legislation before the House is investigative. That is to say, we do not propose that, initially at least, any powers to determine prices should be assumed by the Tribunal or by the Government. It is important to note in this respect that the Bill invests the Tribunal with the power to initiate its own inquiries. Whenever a major company as defined in the Bill notifies its prices to the Tribunal as required, the Tribunal will, in the light of any public complaint or, as it gathers experience, in the light of its own judgment, be able to set about investigating these prices. Also, the Government will be able to refer any charges it feels need to be investigated either because it feels that a company is taking advantage of a monopolistic dominance of the market, or of excessive tariff protection, or as a result of restrictive trade practices, or for any other special reasons. It is obvious therefore, that, to some extent the function of the Prices Justification Tribunal will overlap those of such bodies as the Tariff Board, and later the Protection Commission, and the Trade Practices Tribunal. This overlap is intentional. The legislation provides that the Prices Tribunal will have, normally, to report within 3 months on any particular prices matter. This is a much shorter time perspective than that within which the other 2 bodies have to work, and we expect that the Tribunal will both benefit from and take account of the more profound analysis of these bodies. Like the Tariff Board, the Tribunal will be concerned with the analysis of the performance and efficiency of firms and industries, and like the Tariff Board it will have need of its own research staff to facilitate its work and guarantee its independence.

It cannot be emphasised too much that it is the Government's desire that the very creditable standard of performance set by the Tariff Board in recent years—and by the Trade Practices Commission and Tribunal, despite the fact that they have hitherto been hampered by the pusillanimous legislation of the previous Government—should be emulated by the Tribunal. If this hope is to be realised, the Tribunal must be given the facilities for conducting its own inquiries, as does the Tariff Board, independently of departmental briefs. It is also worth pointing out that the work of the Tribunal will be greatly facilitated, and indeed dependent upon, the availability of adequate data. Much of this will, of course, come from the study of the accounts of individual firms and the study of the reports of bodies like the Tariff Board. But it will have to depend also upon the data supplied from the general statistical work of the Bureau of Census and Statistics. In this context, it is clear that there is a much greater urgency than was the case under the previous Government to improve and extend the data basis available.

The analysis of the effects of an increase in the price of an important basic or intermediate commodity, whether it be the product of an individual monopoly or of a multi-firm industry dominated by one or a few major companies, as is generally the case in Australia, is not possible without the use of input-output tables which describe the inter-relations of the various industrial sectors. A steel price rise, to take the example suggested by Mr Justice Moore's investigation, will have repercussions throughout the economy. It will affect the prices of ships and shoes and sealing wax. It is only possible to begin to trace through these effects by using input-output tables. The Bureau of Census and Statistics recently has published the final version of its input-output table for the Australian economy in 1962-63. This is a very praiseworthy piece of work, and typical of the high quality of the Bureau's own output. Nevertheless, it is too far out of date for it to be of great reliability for the purposes of the Prices Justification Tribunal, and there is a very strong case, indeed an overwhelming case, for greater priority to be given to the production of a more up to date input-output table for the Australian economy. This would of course, require an expansion of the resources.
of the Bureau, and particularly of the section of the Bureau involved. This, I am convinced, is an essential prerequisite for the success of the Prices Tribunal.

Similarly, the Bureau should be given the resources and encouraged to redouble its efforts to bring about a much greater degree of uniformity and consistency of statistical data, whether collected by itself or by particular departments, so as to ensure the comparability and general usefulness of departmental work on particular sectors or aspects of the economy. When the Tribunal becomes operational, it is clear that many organisations and individuals will from time to time wish to give evidence before it. The Bill lays down that parties having a substantial interest in a particular inquiry will be able to make submissions and give public and confidential evidence to the Tribunal. It is clear that, along with the companies being investigated, their major customers, and the employees of both supplying and purchasing companies, the public as a whole has a substantial interest in prices. So I would hope that at every inquiry conducted by the Tribunal the public will be represented as an important intervening party.

One way of doing this, of course, would be by the Australian Government intervening as it does in the Arbitration Commission hearing of the national wage case. The most recent decision of the Arbitration Commission demonstrated that such intervention can be judicious and to the public advantage. However, past experience has shown also that too often such a form of intervention can be abused, and used to support one side against another to suit the politics of the Government. Instead I would like to see the consumer organisations appearing on behalf of the public interest in prices. The concept of the public interest is an awkward one in many respects. It may be that occasionally the public interest, the interest of the community and the nation, might be served by a price increase, whether consumers like it or not. But consumers, as consumers, have a very real interest in opposing price rises, or lowering certain prices. Accordingly, I would like to see what we could perhaps call a bureau of consumer affairs established. The function of such a body could be to provide research back-up to existing consumer organisations, or occasionally stand in for them, in the presentation of a consumer's case to the Prices Tribunal.

Such a bureau need not be confined in its scope to prices. There is a very real consumer interest involved in most references which go before the Tariff Board, a notable current example being that of the colour television reference where the Board very properly commissioned its own survey of consumer purchasing intentions. In this case, most unusually, consumer interests have been taken into account, both by way of this survey ad by way of direct representations by consumer interests. I put the proposition squarely that such a development is highly desirable, and will and should be encouraged by this Government.

Much will depend upon the personnel selected for the Tribunal, both as members and staff, and upon the initial subjects it and the Government choose for it to investigate. My own personal desire would be to see an early inquiry into the prices of important pharmaceutical products. A good place to start would be the price of valium, a very widely and sometimes too readily prescribed tranquilliser. The Tribunal would have available to it the recent report of the British Monopolies Commission, which concluded that this drug is grossly overpriced in Britain. It would also be aware that the current price in Australia is high even by British comparisons. It would be able to follow the current investigations of the Swiss firm holding the patents, Hoffman-La Roche, which are being conducted in a number of European countries. It could also consider the reports of the British Monopolies Commission in the past, particularly that into Glaxo Laboratories, which indicate that the standard justification for high prices by the big drug companies in terms of research effort is simply not valid.

I do not believe that this measure alone is the answer to any inflationary tendencies in the economy. Many other measures must be applied. These are being developed and will be applied, and in some cases are being already applied. But it is an important immediate measure and is valuable especially as a bridge to long term measures for achieving a more efficient use of resources through a more competitive economy, something which I would go along with and which ought to be dear to the heart of all honourable members opposite who proclaim the virtues of free enterprise and a competitive economy.

Mr HUNT (Gwydir) (9.39)—The Minister for Social Security (Mr Hayden) said that the
Bill has adopted the least authoritarian approach to the problem of inflation. I would say that the Government is adopting the maximum provisions available to it within its constitutional limits. I suppose that this is desirable, so long as the objective of controlling inflation is achieved. The Minister quite rightly admitted that this Bill will not in itself control inflation. The purposes of the Bill were described by the Treasurer (Mr Crean) in his second reading speech, the first purpose being to tackle the big problem of inflation. The Treasurer understates the problem of tackling inflation when he says:

... one of the most obvious lessons is that policies to contain inflation must be broad and multi-pronged.

There is no simple solution to the problem of inflation in today’s complex economic environment. Certainly, the establishment of a prices justification tribunal according to the terms of this Bill will not achieve that objective. If the prices justification tribunal alerts the Government and the public of Australia as a whole to the factors that contribute to inflation, some good may flow from its deliberations.

Inflation is the product of the actions of people—not simply the actions of employers, of manufacturers or of farmers. It is the result of a total combination of the actions and the interactions of the people within the community and it is often fanned along by unwise economic actions on the part of the government of the day. However, there are 2 obvious omissions from the second reading speech of the Treasurer. Firstly, nowhere does the Treasurer or, indeed, does the Labor Government, admit that rapidly escalating wages and salaries are an important element in inflation. Secondly, nowhere does the Government admit that its own policies and actions are a major contributing factor—I believe they are a nigger in the woodpile—in the present alarming situation.

Let me demonstrate with one example the impact of wage and salary increases on costs and the cost of living. There has been a lot of beefing about rising meat prices and their impact on inflation. Indeed, when the Prime Minister (Mr Whitlam) recently was confronted with the March quarterly cost of living index figures which showed a 5.7 per cent increase on last year’s figures for the March quarter, he lost his cool and called upon the Australian Meat Board to come forward with what could be termed a meat price reduction scheme. In other words, the Prime Minister was blaming the farmers for the unholy inflationary mess. He ignored, of course, the recent 10 per cent increase in butchers’ wages which, when overtime payments are taken into account, contributed an overall 4c to 5c a lb increase to the price of meat. The Government ignored a strike by Victorian abattoir workers who were demanding a 25 per cent pay increase. Surely it is understood that such pay increases that do not bear any relationship whatever to productivity in essence are inflationary and are in fact passed on to the consumer? When wages rise substantially and working hours are reduced, someone must pay the price. Whether the proposed prices justification tribunal is established or not, this will still be a fact of economic life in this country.

The recent national wage case decision handed down an increase of $9 a week to the minimum adult weekly wage rates, overtime penalty payments being additional. The real purchasing power of the minimum wage has now increased by one-third since 1966. The national wage case decision was fortuitous in that it did not follow the advice of the Government which supported the unions’ case for a 25 per cent increase. However, the wage decision will have a significant effect on inflation. The average weekly pay set by the Commonwealth awards in January this year was $66.50. This will rise by 6 per cent to $70.30. Other factors are the $3 wage rise due to the metal trade workers’ award in June and the higher overtime pay that was handed out then.

One question that I pose is: To what extent can these wage rises be absorbed by the economy? The first report of the Council of Economic Advisers of the Kennedy Administration in 1962 in the United States stated that ‘the general guide for wage behaviour to be non-inflationary is that the increase in wage rates in each industry is equal to the . . . rate of overall productivity increase’. The problem in Australia is that our productivity performance has been relatively poor—about 2 per cent. Moreover, in 1970-71 and 1971-72, productivity in non-rural industries actually declined. The natural scope for the Commonwealth Conciliation and Arbitration Commission and the central role of the Australian Council of Trade Unions within the union movement tend to accelerate
the rate at which money wage increases in industries achieving rapid improvements in productivity spread to industries achieving more modest gains.

The other important factors in the inflation problem are the policies and the actions of the Government itself. The Treasurer referred to some of them in his second reading speech—domestic monetary measures, overseas capital inflow and the capital expenditure programs of the Government. The Treasurer referred to the revaluations of the Australian dollar as being introduced to try to stop or to level out the inflationary spiral. There is no evidence to suggest that the double barrel revaluation upwards of the Australian dollar will ease inflation. Indeed, evidence is mounting that inflation will continue to rise at a record rate and this is not at all surprising. The spending spree of the Labor Government which it has demonstrated since taking office by throwing around taxpayers' funds like chicken feed has, of course, a political objective, but we now face a record deficit at the end of this year.

It has been said tonight in this debate that the former Government contributed to some of this deficit and this may be a fair comment for Government spokesmen to make. But the truth of the matter is that the deficit is mounting to an alarming figure and, of course, this sort of deficit budgeting must be inflationary in itself. In the public sector, running costs of the departments will increase by no less than $35.5m because of increased awards, equal pay, holiday benefits and so on. Not only can we expect substantially increased taxation, perhaps not this year but in 1974; we can also expect a violent surge of inflation leading, I believe, to stagnation in the private and commercial sectors. Of course, one does not have to be very bright to know what will happen then. This will be followed by unemployment. This has been the pattern that we have seen around the world and we hope that we will not see a return of the fears of unemployment as a result of stagnation which could be caused through lack of confidence in the private sector.

Regrettably, this change in economic management came at a time when the Australian economy was actually gaining in momentum, when confidence was returning, when export industries were taking advantage of better markets overseas, when unemployment was falling due to measures that were taken in the last 6 or 7 months of the reign of the McMahon Government and when there were signs of a slowing down of the inflationary rate which became apparent early in 1970. The other serious factors that will push inflation to the roof are, of course, the Government's support of union claims for a 35-hour week, which looks like coming into effect over the next year or two, costing not only the employers but also the Australian people an additional $3,000m annually. Much of these wage increases in fact will be passed on to the housewife—the consumer. It cannot be avoided. This will undoubtedly add a further 10 per cent to the cost of goods alone.

All these concessions to which I have referred that take place without any increase in productivity or production must in themselves be inflationary and have serious consequences for the average individual. It does not matter how many committees or tribunals the Government establishes; we are faced with inflation while ever the Government ignores the fact that increased wages without increased productivity will in fact contribute to the inflationary cost and while ever it ignores that its own expansive policies will be a contributing factor. The record Budget deficit that we face, the increased Government expenditure, the increased wages and salaries, the shorter working hours and the longer holidays are all factors that will contribute to an inflationary spiral. Here we see the establishment of a Prices Justification Tribunal with, to quote the Treasurer, 'a membership of people with no qualifications for membership specified'.

This is a Bill in respect of which the Government can claim to have a mandate. I believe that it is hotchpotch legislation which no doubt will cause confusion and uncertainty in day to day business operations. It no doubt will create enormous and unnecessary administrative burdens on companies without achieving its proper objective—costly burdens which no doubt will be passed on. It will operate in a discriminatory manner against those companies which are singled out for special treatment. The Act will apply only to certain companies, namely, those whose receipts from the supply of goods or services, or both exceeded $20m in the previous 12 months. The Act also will apply to each company in a group of companies where the business receipts of the groups exceeded $20m in
the previous year. The criterion that necessarily is involved is not the economic impact of the activity of a particular company but the size of its turnover. Sub-clauses 18 (1) and (2) of the Bill are the important operative provisions. They prohibit the supply by an affected company of goods or services of a particular description at higher prices without resort to the procedures set out relating to the Tribunal. They prohibit the supply of any new goods or services without resort to the procedures of the Tribunal.

The term 'goods of a particular description' is not defined but presumably means every variety of item which is capable of being described with particularity. Thus, each single item of the many thousands of items on sale on the shelves of the supermarket constitutes 'goods of a particular description', but just how particular the description needs to be is not clear. For example, a motor car dealer may sell Holden motor cars of a particular year of manufacture in many combinations of optional extras, colours, types of tyres and so forth. Is each car to be regarded as 'goods of a particular description'? Take the case of a company which is affected by the Act and which controls a chain of motels. One of its motels may receive a supply of eggs from a local producer. By reason of seasonal fluctuations the local supplier may raise the price of his eggs. That motel, which is in competition with other motels in the area, may wish to raise the price of this item on its breakfast menu. Such a meal in no doubt would constitute 'goods of a particular description'? Before the motel can raise its price it must notify the Tribunal and be subject to the procedures outlined in the Bill.

Precisely the same considerations would apply to a vast range of other goods sold at the motel—matches, cigarettes, newspapers, drinks and so forth. In the event of any proposed price rise, the cause of which is quite beyond the control of the motel' a similar procedure must be followed. Not only will this involve a vast administrative effort, but it is unfair in its operation because motels which do not happen to be part of the chain owned by the company affected by the Act but whose prices are related to precisely the same considerations can raise their prices without resort to the Tribunal's procedures at all.

I could go on. There are many strange anomalies in the Bill. I think the Bill will be extremely difficult to administer. It will be very difficult to follow through some of the items that the Tribunal will be called upon to examine. Under this Bill in its present form inordinate delays in the reaching of decisions by the Tribunal could occur. This delay would be quite outside the control of the affected party. The Bill has been conceived without any prior consultation with industry and commerce generally or with the companies which will be affected by the Act. This seems to be an extraordinary approach by a government which has a responsibility not only for individuals within the community but also for the people who serve individuals and for companies within the community. How can the Government form legislation and put it into practice unless it takes into account the interests or the attitudes of the people over whom the Government is professing to keep some control?

It is clear enough that the effect of the Bill in terms of its practical application and economic impact is ill conceived. In its present form the Bill will produce results that will be unworkable, unrealistic and unfair. Nevertheless, it is true to say that the Government has a mandate from the people to establish such a tribunal. It is doubtful that it will achieve anything other than confusion. It is the pudding of the Government made from a Labor Party recipe. It is to be hoped that the Government has the capacity to stomach the consequences of the Bill. It is my hope that the Australian community does not suffer as much as I think it will from its ultimate inflationary dispepsia.

Mr WILLIS (Gellibrand) (9.56)—I intend to address myself to the philosophy underlying the Bill rather than to the details of the Bill itself. This is an important Bill because it represents the legislative expression of this Government's belief that the real answer to inflation is to be found in policies which place a restraining pressure on prices. It certainly is distinct from the previous Government's attitude that inflation was due primarily to wage increases; so it had to do its utmost to restrain wages but did virtually nothing to restrain prices. Its only action on prices which comes to mind is the action to abolish resale price maintenance which, of course, it was
virtually forced into by the actions of the Australian Council of Trade Unions.

In regard to wage control, the previous Government—now the Opposition—became increasingly concerned to limit wage rises as inflation built up in the late 1960s. It had 2 ways of doing this: Firstly, it opposed nearly all applications for increases in wages and for improvements in conditions of employment. Secondly, it supported the use of penal clauses in disputes regarding over-award payments. When the penal clauses became inoperative in 1969, the Government turned to the creation of unemployment as a means of taking the heat out of over-award disputes. After the 1971 Budget, which was a tough Budget designed to increase unemployment, the number of persons registered for employment with the Commonwealth Employment Service increased rapidly, and by the end of December that year the number had reached 120,000. Commenting on those numbers of unemployed, the then Treasurer—now the Leader of the Opposition (Mr Snedden)—as reported in the ‘Australian’ of 22nd January 1972, said:

We have achieved what we set out to do in that we have created an environment in which over-award payments are depressed.

I stress that he was saying that in relation to a situation where 120,000 people were out of work. So it is quite clear that the previous Government had the idea that the way to beat inflation was to increase unemployment and therefore take the heat out of over-award payment claims. This attitude of the previous Government is being continued in Opposition. The Opposition is still saying that wage increases are the basic cause of inflation, but in so doing it is constantly ignoring the evidence from economic and econometric studies around the world that inflation cannot simply be blamed on the trade unions. These studies show that the basic explanation is to be found in the greatly accelerated inflation in the United States in the mid-1960s and its subsequent transmission around the world.

It is important to realise that inflation is a world-wide problem. In all the developed countries of the world it increased rapidly in the latter part of the 1960s. High inflation rates have continued into the early 1970s. If trade union militancy is supposed to be the cause of inflation it is remarkable how it increased apparently—if that thesis is right—in all the developed countries of the western world at more or less the same time. Clearly this is an absurd hypothesis and it does not need just me to say so. It has been said by all economists who have made studies of the subject.

I refer at this point to an article by Mr Congdon in the National Westminster Bank Quarterly Review of February 1973. The article is entitled ‘Why has Inflation Accelerated?’ In his conclusion Mr Congdon said this:

If one supposes, for the sake of argument, that it was an independent variable, a number of problems arise. First, is it likely that labour militancy would increase in every one of the twenty or so OECD countries suffering from inflation in the late 1960s? There is no evidence of a connection between nations’ rates of inflation and their degrees of unionisation, their strike records or the political complexities of their labour leaders.

Quite clearly Mr Congdon, having analysed inflation in the United Kingdom in particular, in that article has rejected the whole concept of trade union militancy as the cause of inflation. Inflation, as I have said, is worldwide. Clearly there must be some rational explanation for the inflation phenomenon, particularly as it has generally resisted the attempts of governments to overcome it by deflationary policies. As in Australia in 1972, governments elsewhere have found that with quite exceptionally high unemployment rates inflation still continued at a relatively high rate. This contravenes all previous economic experience.

The first convincing explanation of this phenomenon was produced by a world famous economist in 1971. That economist was Professor Harry Johnson, a professor of economics at the London School of Economics and the University of Chicago. He maintained that the basic cause of the sudden upsurge in world inflation was excess demand conditions in the United States after 1965, brought about mainly by the enormous escalation of United States military involvement in Vietnam at that time and the consequent enormous escalation of United States military spending. I quote a couple of sections from the article produced by Professor Johnson in the ‘International Currency Review’ of August 1971. The article is entitled ‘The Inflation Crisis’. At page 6 of the article he said:

In the 1950s and early 1960s, basically, the United States economy was characterised by approximate stability of prices; and this exercised a stabilising influence on world prices. This characteristic changed with the escalation of the war in Vietnam, and
especially with the failure of the Johnson Administration to finance the escalation of the war by appropriate increases in taxation. Instead, the war was financed in part by inflation. And the inflation tax has fallen on the whole world economy, not merely the citizens of the United States.

At page 7 of the article he says:

The world inflation, then, can be attributed largely to a change towards inflationary behaviour on the part of the United States. The details of events in other countries can of course be used to tell a tale of domestic causation of inflation and in particular to blame inflation on the irresponsibility of the trade unions, but I would instead regard them merely as details in the process of transmission of world inflation, sparked by the United States, to the individual countries concerned.

Before pursuing Professor Johnson's thesis I refer quickly to the reference of the Leader of the Opposition to Professor Johnson as a 'discredited American academic'. The Leader of the Opposition said that in the debate on the Joint Committee on Prices in this House on 28th March of this year as reported at page 787 of Hansard. In that debate the Leader of the Opposition went on to demonstrate convincingly that he had no idea of what Professor Johnson was talking about. He said:

This thesis said that essentially inflation was caused by Americans financing the Vietnam war and by some means caused by that was exporting inflation to other countries.

Firstly, that could relate only to demand inflation and our problem has been cost and wage inflation. Secondly, there is no explanation of how this inflation could have been transferred to Australia.

In fact, the Leader of the Opposition is wrong on both of these points. Firstly, Professor Johnson did not say that inflation was transferred to other countries only as demand inflation. Other ways of it being transferred are even more important. Secondly, Professor Johnson, immediately after the passage I quoted, went on to spell out ways in which inflation could be transmitted from the United States to other countries. There are 2 basic ways. The first is through the United States' chronically large balance of payments deficit and the consequent build-up of reserves in other countries, making monetary policies difficult to manage in those countries. That was accentuated if expectations of an appreciation of the currencies of those countries relative to the United States dollar built up. That would cause speculative capital inflows. This monetary effect of course related to the demand levels as would a general improvement in the balance of trade brought about by the competitive position of a country vis-a-vis the United States.

The second way in which inflation is transmitted, according to Professor Johnson, does not involve demand. This of course is where the Leader of the Opposition was quite wrong. It involves the price of internationally traded goods. If there is world inflation prices of exports may rise and, so will their price on the home market. This has not been a big factor in Australia because export prices have not risen much until recently. But lately wool and meat prices have increased rapidly on world markets and we have seen the effect on the domestic market.

More importantly still, import prices will rise with world inflation. That will not only have a direct effect on prices in the Australian market because we will have to pay more for our imported goods; it will have an indirect effect as well. That comes about by raising the prices at which local producers of importable commodities can sell their products without losing sales to exports. In regard to this indirect effect of imports I can give 2 quick examples. One relates to General Motors-Holdens Pty Ltd in 1971. In that year it raised the price of the Holden Kingswood sedan—its best selling car—by 12 per cent. In that same calendar year of 1971, according to the Reserve Bank, the price of imported motor cars in Australia went up by 12 per cent. So here we see clearly the lifting of the competitive ceiling through the increase in import prices enabling Holdens to raise the price of its car without losing sales to competitive imports.

Another example is that of Broken Hill Pty Co. Ltd. Every increase in its steel prices in the last few years has been preceded by increases in prices of imported steel, not least the attempt to increase its steel price by more than 3 per cent this year. Again, this action was preceded by substantial increases in prices of imported steel. In the early part of 1972, when BHP raised the price of steel, it went completely against conventional economics in raising the price of its steel at that time. Demand was slack but nevertheless it raised its prices. One reason given was that as demand was slack its cost per unit had gone up. This was because the fixed costs of all its equipment had to be allocated over a smaller number of units of output and, therefore, the cost per unit had gone up.
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It is unusual, to say the least, in conventional economics, to raise prices when demand is down. But Professor Johnson explained why this is done. In such cases companies will not lose sales to imports if they raise their prices and they know that the depressed demand conditions brought about by Government action will not last because the Government will abandon its tough economic program as elections draw near. This is exactly what happened in 1972. There was a tough Budget in 1971, but BHP increased its prices knowing full well that in 1972 the then Government would in the 1972 Budget make very sure that the tough economic program ceased. In fact, the previous Government was taking other economic measures well before the 1972 Budget. In these conditions companies expect that demand will pick up in the near future, even if tough economic programs are being applied by the Government at the time. So despite slack demand BHP did not hesitate to raise its prices. Here we have the explanation of stagflation a stagnant no-growth or little-growth economy, high unemployment and inflation.

From this brief look at the Austra'ian experience we can see that the Johnson thesis is clearly far from discredited. In fact it is increasingly accepted by a number of economists around the world. I have mentioned Mr Congdon's article. He accepted in that article the great importance of United States expenditure as an initiator of the world inflation. Another example is an article by Professor Laidler, also taken from the National Westminster Bank 'Quarterly Review' of November 1972. Professor Laidler is a professor of economics at the Manchester University. In an article entitled 'The Current Inflation—Explanations and Policies', he said:

The abnormally high inflation rate of recent years may be interpreted as resulting from a combination of 2 circumstances. First, there was the attempt of the American authorities to finance a war in Vietnam and a war on poverty while simultaneously cutting Federal tax rates and attempting to keep interest rates down. This led to a greatly increased rate of monetary expansion after 1966 and to a substantial increase in the world inflation rate, an increase which was bound to affect the British rate of inflation.

He goes on to discuss devaluation in Britain. He also says in this article:

Now if it is the case that the current inflation may be explained in the terms set out in this article it follows at once that explanations that look to purely domestic causes of inflation—I am thinking here in particular of those explanations that centre of trade-union militancy—are quite simply too parochial in outlook and confuse the description of inflation with the analysis of its causes. Certainly there is ample room within the explanation I have advanced for trade unions to demand large increase in money wages in a period in which large increases in prices are anticipated, and for employers to be willing to concede to such increases. I know of no evidence, however, that would compel disbelief in the assertions of trade union leaders that their 'militancy' in recent years has been the result of their desire to protect their members living standard against erosion by an inflationary process neither of their creation nor under their control.

I do not make any further comments on that. There are 2 other articles to which I do not think I will have time to refer, although they are quite important. One is by William D. Nordhaus in Brookings Papers on Economic Activity, No. 2 of 1972. He studied inflation in 7 countries around the world and came to the same conclusion as Professor Johnson about the importance of inflation starting in the United States in 1966 due to the Vietnam war involvement and then spreading to other countries. An Australian study, which to my knowledge is not yet published, was made by 2 employees of the Australian Reserve Bank, Dr Johnson and Mr Mahar. Their article is entitled 'Earnings and Award Wages in Australia'. They in their conclusions said this:

In an excellent study of the recent 'wage explosion' in 7 countries, Nordhaus concludes that the primary cause was the build-up of price expectations in the United States. This produced increased inflation rates in the United States and this has been transmitted to the rest of the world via the channels for the international spread of price and activity fluctuations mentioned above. Australia was not included in Nordhaus' study but our results support his conclusions.

So, far from being discredited, the Johnson thesis is being endorsed by various economists around the world, including Australian economists.

These articles all reject the union militancy hypothesis and point instead to the upsurge of world inflation initiated in the United States in the mid-1960s and being transmitted to countries all over the developed capitalist world by way of demand effects through the balance of payments and by way of direct and indirect price effects through imports particularly but also through exports. A number of conclusions flow from this analysis of Australian inflation to the context of world inflation. The first is that while that world inflation continues it will be immensely difficult, indeed impossible, to prevent inflation in Australia. We can only hope to lessen its
impact. Secondly, in a situation of world inflation, the use of such draconian measures as penal clauses and unemployment to hamstring unions and control wages will not stop inflation because union militancy is not the underlying cause of inflation. Thirdly, when world prices are accelerating the only way to stop a similar acceleration of domestic prices in a particular country is to take action which puts pressure on prices. Such pressure can be achieved in a number of ways. Firstly, it can be achieved by being prepared to appreciate the currency and balance of payments——

Debate interrupted.

**ADJOURNMENT**

National Anthem for Australia—Abortion—

Education: Australian Schools Commission—

Teacher Training

Mr SPEAKER—Order! It being 10.15 p.m. and in accordance with the order of the House of 1st March, I propose the question:

That the House do now adjourn.

Mr TURNER (Bradfield) (10.15)—I want to say a few words about the national anthem for Australia. I am a fifth generation Australian and one who is as conscious of being a member of this nation as any other member of this House or this country. The Prime Minister (Mr Whitlam) claims that he has a mandate to introduce a new national anthem of some kind. Of course he made many promises during the election campaign, and I always regard these claims about a mandate with some reserve. A Party cannot be said to have a mandate for hundreds of different promises that may be made in the course of an election campaign. That the question of a new national anthem, a matter of great consequence for the people of Australia for a long time to come, should be introduced as part of an election campaign and, one might say, really as a gimmick—because the campaign was conducted very largely on lines associated with foreign investment and in a general atmosphere of chauvinism—taints the production of a national anthem. Later, I think on 26th January of this year, before the House met the quest for a new national anthem was announced in a statement by the Prime Minister. It was not announced in a statement made in this House nor did it follow any debate in this House. The Parliament had nothing to do with it. There should have been attempts at some bipartisan approach, since this is something that should be acceptable to the whole nation and not introduced in any partisan sense. It should have been introduced after discussion in the proper way in the Parliament of this nation.

It is an irony that in a 10 minute speech on the adjournment an obscure Opposition back bencher should have to make a speech at the end of the day's business on a matter of this kind when the main object of this debate is to voice constituents' grievances and for that matter indeed, I do voice a grievance. We are to have a competition and pundits are to choose several tunes and they are to be played over the air by the Australian Broadcasting Commission and people will say which they would like to have as a national anthem. People will say: 'What do you think of that one, Mary? Rather a nice tune, isn't it?' That apparently is the way we will choose a national anthem.

The Prime Minister has made a gibe about the present national anthem being a tune chosen by George II. It was something that he liked. I can imagine the honourable gentleman saying that perhaps he showed better taste in that than in other things that he liked. Actually, 'God Save the Queen' or 'God Save the King' is a traditional song known long before George II had ever heard it. It is associated with thousands of great and noble occasions in the course of Britain's history, her rough island story. It is much more than some song that George II liked. It had associated with it many great and noble occasions. But that is for the British.

The 'Marseillaise' was composed as a marching song in 1792 when the French Republic which had recently been formed at the time of the revolution was fighting for its very existence against foreign invaders and particularly against the Austrians. It was composed as a marching song for the volunteers from Marseilles who took their part in throwing back those who would have destroyed the Republic. Those were the conditions in which the 'Marseillaise' was born in 1792. 'Star Spangled Banner' was composed in 1814 and was long a popular patriotic song in the United States, long before Congress enacted that it should be a national anthem as late as 1931. I imagine that it became known, particularly abroad in France, in 1918 when the Americans entered World War I.
so far as ‘Waltzing Matilda’ is concerned, let me say one or two words. It has, of course, rather raflish words. This is not entirely alien to the character of the Australian people, and I would not suggest that those words were appropriate for a national anthem. I want to say a word about the tune as well as the words. Wherever Australians are gathered together and are conscious of being Australians, of their sense of nationhood and of belonging together—whether they are in Damascus, Tobruk or Earls Court—there is one tune that is known not only to Australians everywhere but to people outside Australia, and that is ‘Waltzing Matilda’. I remember it very well during World War II, when we were being convoyed across the Indian Ocean by the Australian cruiser ‘Canberra’ when 4 transports were handed over to the ‘Ajax’ and another British ship for convoy purposes. I can remember the ‘Canberra’ sailing down between the convoys; and what was her band playing? ‘Advance Australia Fair’ or some other nice tune that Mary might like? No; it was playing ‘Waltzing Matilda’, and I felt thrilled and proud that there were other Australians abroad, as we were, in a warlike situation.

I do not want to say any more about this except that the anthem should not be tainted by having been produced in the circumstances of a partisan political campaign. There should have been not simply an announcement but a statement in the House with an attempt at some kind of bipartisan approach to the matter of choosing a national anthem. This is a serious matter and it should not have been introduced in the way that it was. The Australian people should choose, but the pundits are going to choose for us. We have had enough of pundits and bureaucrats. Do not let them say what is a pretty tune or what is not. When the Australian Broadcasting Commission, or whoever it is, plays the various tunes with a view to the Australian people choosing, I hope that the tune chosen will be not one that has been the subject of a competition but one that has been adopted as the ‘Marseillaise’ was adopted, as the ‘Star Spangled Banner’ was adopted or as ‘God Save the Queen’ was adopted—that is, by a general consensus of the people born out of the circumstances of war or from traditions. I hope that the choice will fall upon the tune that has been accepted by Australians by consensus wherever they have been gathered together, whether inside or particularly outside this country, when they are conscious of the fact that they are Australians.

I say the same about the flag. The Australian flag is not some badge of infamy to show that we were a colony of the British rebelling against Britain. This has been the flag that has represented this country and that has been the proud emblem of those who have fought in 2 world wars. They do not see it as something that has a union jack in the corner and is therefore something of which they should be ashamed. They see it as their flag—their emblem. It has been that in 2 world wars and it still is. Wherever one sees it abroad one thinks: ‘That is Australia’. We should not be ashamed of our origin. It has been said that the country that has no past has no future. We do have a past and we are proud of the fact that most of us have British origins. Most of us are proud of the fact that we inherited this institution of Parliament and that we inherited a British system of law, which is superior to any in the world.

Mr Donald Cameron—We speak the same language.

Mr TURNER—And we speak the same language as well. Therefore, I hope that we are not going to have foisted upon us a pretty tune that appeals to some pundits or others who choose words and a tune. I hope that we will choose something that is real, that has really been the badge of Australia and that has been accepted by Australians at home and abroad as representing them over many years.

Mr JAMES (Hunter) (10.24)—Last week in this Parliament a debate took place which aroused considerable interest throughout the nation. I refer to the Medical Practices Clarification Bill. In my 13 years in this Parliament I have used the privilege of disclosing the names of certain individuals in society when I have been positive that they have subverted the law and have been virtual parasites on our community. On each occasion I was sure of my facts. I intend again tonight in this debate to name certain people about whose nefarious practices in the community and illicit incomes I am positive. This is related to the debate last week on the Medical Practices Clarification Bill. Before I disclose their names I want to say that I have no doubt that in the medical profession there is an overwhelming number of people who are devout, who are full of humanism and who are doing a good job by society in general.
The first doctor I want to name is Dr John Reid Heath, a medical practitioner who was referred to in the report of the Commissioner of Taxation for 1967-68. He was named prominently in the Kaye inquiry in connection with the abortion racket in Melbourne some two or three years ago. According to that report, he underestimated his taxable income by $260,000 for the years 1952-53 and 1964-65.

Mr King—Where did he get the money?

Mr JAMES—From unfortunate women who are compelled to go to abortionists to terminate pregnancies for some reason or other. In the main that is where I believe he got it.

Mr SPEAKER—Order! The last speaker was heard in complete silence. I ask honourable members to extend the same courtesy to the honourable member for Hunter.

Mr JAMES—I now want to refer to a woman who was receptionist and trained nurse at the Heatherbrae Clinic at Bondi for some years, working for 2 qualified medical practitioners who were carrying out a large scale abortion racket. That person's name is Daphne Gloria Colbourne. She is referred to in the report of the Commissioner of Taxation for 1966-67 at page 94. Her underestimated taxable income was $38,098. The next one to whom I want to refer is old George Smart, one of Sydney's biggest still-practising abortionists, who recently was charged on 72 counts of illegal abortion. He practises in the heart of Sydney. He has been before the Commissioner of Taxation on several occasions. At his first trial the judge—Judge Aaron Levine—died. The second time he was indicted the jury disagreed. On the third occasion the Attorney-General decided not to file a bill. He is mentioned in the report of the Commissioner of Taxation for 1969-70 at page 122 as having an underestimated taxable income of $29,368. In the same report, James Gavin Troup, who was mentioned prominently in the Kaye inquiry in Melbourne in connection with the abortion racket and who is a practising abortionist, was mentioned as having an underestimated taxable income of $105,534 for the years 1959-60 and 1965-66.

Mr Charles Jones—There is a lot of money in it.

Mr JAMES—Yes, blood money. Doctor Thomas Wall—Tommy Wall—is known as a skilled abortionist and was practising at the Heatherbrae Clinic at Bondi for some considerable time. He is mentioned in the report of the Commissioner of Taxation for 1970-71 at page 114 as having an underestimated income for the years 1962-63 and 1967-68 of $24,471. Dr Finks, who was prominently mentioned in evidence before the Kaye Commission in Melbourne, is featured in the report of the Commissioner of Taxation as underestimating his income by $17,484. Dr Troup, who was prominently mentioned in the Kaye Commission inquiry in connection with the abortion racket in Melbourne, is reported to have under-estimated his taxable income for the years 1959-60 to 1965-66 at $105,534. The late Dr Hennessy—and I apologise to his relatives—

Mr Donald Cameron—Well, leave them alone.

Mr JAMES—I do not leave vultures like these alone. I came into this Parliament to expose these sorts of things and I will continue to do so as long as I am a member of this place.

Mr Donald Cameron—Even if they are dead.

Mr SPEAKER—Order! The honourable member for Griffith will remain silent.

Mr JAMES—The estate of the deceased Dr Hennessy who was a well known practising abortionist in Sydney was investigated by the Taxation Branch and his underestimated taxable income was assessed at $92,002. Mrs Molly Hearty, a receptionist for 2 doctors who practised extensively at Maroubra and who were recently charged before the courts in Sydney for endeavouring to bribe a law enforcement officer, had an underestimated income of $47,260.

I will not detain the House any longer. I believe that the people in this country and the members of this House should all be made aware of the extensive racket in illicit abortions—or illegal abortions, if you prefer to put it that way. I have submitted these facts to the Parliament tonight so that those people who are making a special study of this great social problem, which has stirred every member of this House because of the difficulty in arriving at a decision on it, will, when they are studying this problem, take into consideration the information I have placed on the records of this National Parliament in connection with these people, some of whom
profess to be great humanitarians. Many of them, I believe, are concerned only with getting money from unfortunate women who find themselves in a predicament and want to terminate a pregnancy. They are not concerned on humanitarian grounds in resorting to these measures.

Mr Crean—May I say in regard to this matter that—

Mr SPEAKER—Order!

Mr Crean—I am not closing the debate.

Mr SPEAKER—I know, but I usually call one speaker from each side.

Mr Crean—I wanted to reply to this.

Mr SPEAKER—You may speak later. I call the honourable member for Sturt.

Mr WILSON (Sturt) (10:34)—I want this evening to raise a matter which I brought to the attention of the House during question time on 3rd May when I asked the Minister for Education (Mr Beazley) a question in the following terms:

I ask . . . whether he can assure the House that on receipt of the report of the Interim Committee for the Australian Schools Commission he will not only forthwith announce details of grants to be made available in the 1974 school year but also announce the availability of advance grants for immediate expenditure so that the maximum number of the recommended areas of need can be satisfied immediately, or at least by the opening of the 1974 school year.

I went on to say that in the policy speech by present Prime Minister (Mr Whitlam) prior to the 2nd December election he indicated that if elected to form a government, his government would establish an Australian Schools Commission. He indicated also that because of the sense of urgency that he had with regard to identification and subsequent fulfilment of needs, he would invite a group of leading educationists—and he in fact did so—to form a committee to advise his new government. That group was invited and took the form of the Interim Committee. That Committee, having been established, was instructed by its terms of reference to deliver a report by the end of May 1973. Throughout the period, leading up to the election and in the actions subsequent to it, this sense of great urgency about needs to be fulfilled and, by implication, the Government's intent and purpose of fulfilling the needs, was established.

There are many people—parents and children too in this day of enlightenment; children themselves are concerned more about what is going on around them, as well as teachers and other educationists—who have gained the impression that the areas of need that would be identified by the Schools Commission or, in the interim period, by the Interim Committee and that in respect of these needs, once a commitment was made for them, the money allocations would be made available as soon as possible. Indeed there are many people who believed that the grants implicit in the recommendations of this Committee would be made available during the 1973 school year. Certainly if those grants were not to be made available during that year the impression was created that any grants so made available would be available in cheque form for expenditure in time to enable the educational facilities and resources to be available for the academic year commencing in 1974.

The concern I expressed in the question was in seeking the Government's assurance that once the areas of need had been identified by its own Committee, once it reached a conclusion, there would be a commitment to the degree to which it accepted the Committee's report. The Minister made a great point of the fact that it was a committee to bring up a report and the Government was not bound to accept the totality of its recommendations. Having said that he went on to say that the Government would, however, treat the report with very great authority. Well, one would expect a government to adopt that attitude and a Minister such as the Minister for Education to give it the authority that he referred to. But we cannot but be a little concerned at the manner in which the qualification was placed upon the willingness to accept the identification of need as indicated by the Government's own Interim Committee. Indeed in the Prime Minister's policy speech he himself put it in a different way. He said that the report of the Committee would be used as the basis of recommendations. One wonders, when there is a commitment like that, the extent to which there can be a limitation or qualification on the commitment to flow from the recommendations of the Committee.

Nevertheless I accept in principle what the Minister was trying to indicate, that it must be for the Government finally to determine. From the wide range of needs indentified by such a committee, if it does point to a large number of such needs, it must be for the
Government to determine how far it can go at any particular time to fulfil those needs. The point that I wanted to emphasise in asking the question was the importance of the additional education facilities being available for the nation's children at the earliest opportunity. I appreciate that State governments as well as the Federal Government education programs set up and established in previous years by previous governments will in themselves play an important part in fulfilling and continuing to improve educational facilities available in the country. In South Australia, for example, there are many items which are regarded as areas of some significance. If the money were available currently, the programs and expenditure could be incurred now so that by the time the 1974 academic year arrives the facilities will be available. I must confess that I felt that the question I had asked was side-stepped to a degree in that the point that I wanted to bring out by asking the question was whether or not, having identified the need, the expenditure could be approved in such a manner that the educational resource would be available, if not for the 1973 year or the remainder of it, at least for early in 1974.

We all realise that even though recommendations are known to be possible of implementation at a future time, sometimes the actual availability to the child being educated at the school is dependent upon some money being available during the planning stages. It may be that in some of the areas the State authorities will themselves be prepared to commit their own money to ensure that the planning takes place so that the money available for 1974 can quickly be converted into facilities available for the education of the children. But there are many areas in which, if money were immediately available, additional educational facilities could be provided for children in schools where there is now a considerable need for improvement of facilities. I refer to such things as the provision of extra teachers, ancillary staff and in some areas the provision of teacher housing, the provision of additional equipment and in many schools the provision of better school buildings and facilities related to buildings. Many of these improvements can only be made for the 1974 year if there are funds currently available for the planning to commence immediately. It was this aspect that I was most concerned about. I hope that the Minister places before the Parliament and the people the report of the Interim Committee and that at an early date following his study of the report he will make an announcement as to emergency or advanced grants so that additional educational resources will be available to the children of the nation.

Mr SPEAKER—Order! The honourable member's time has expired.

Mr CREAN (Melbourne Ports—Treasurer) (10.43)—I rise to reply briefly to what was said by the honourable member for Hunter (Mr James) who quoted quite accurately from the annual reports of the Commissioner of Taxation details concerning certain people whose income had been undisclosed. The honourable member selected, according to his knowledge, particular examples and indicated the sources from which the income that had not been recorded had been received. The point I want to make is that taxing income is simply taxing what comes in, and the Commissioner of Taxation does not have to be concerned about the morality or immorality of the sources of income. I have the greatest commendation for the zeal of my Department in finding out those people in the community who do not reveal all the income that they actually receive.

I come now to something that ought to be noted by honourable members, particularly those who, a few days ago, voted according to their consciences on a Bill relating to abortion. I must say that I received on this subject the greatest spate of letters that I have ever had in the 22 years that I have been a member of this Parliament. The purport of a lot of those letters was that abortion was child murder. I do not agree with that extreme description, but the honourable member for Hunter indicated tonight that there has been a lot of child murder going on for a great number of years. I would hope that those who voted with their consciences in their pockets the other evening might realise some of the practicalities of what is going on and that if it is income the Commissioner of Taxation will reveal it. But if some honourable members think they can conceal this matter by making pious declarations they are flying in the face of what is a very serious social problem. The honourable member for Hunter has indicated in his own way—and he is not always the subtlest in revealing some of the fundamental truths—that if one person concealed income of about $250,000, we can
Mr HEWSON (McMillan) (10.47)—In March this year, due to the enterprise and dedication of many teachers and educationists in the electorate of McMillan, a teachers centre was set in motion. Having been granted an honorary membership of that centre I propose tonight, with the case history of this new concept, to prove to the Minister for Education (Mr Beazley) the necessity for him to provide Commonwealth financial support. This teaching centre, without doubt, is a place where there is an opportunity to co-ordinate all Commonwealth education grants and ensure a greater utilisation of Commonwealth grants and a more equitable use of equipment and teachers. It will promote community involvement in education. The Teachers centre has been fortunate in securing a very sound and spacious building which was formerly Our Lady of Sion convent. It provides ample space and a variety of study rooms, making a very versatile building.

I have reason to believe that this type of centre which has been initiated, organised and financed by practising teachers is an important project and already it has received the support of both State and Catholic education authorities. The centre has been offered assistance by the Monash University education faculty in the town of staff as occasional lecturers. The organisers are convinced that a teachers centre is of great potential value in any district and hope that other groups of teachers and administrators eventually will look at the project as the forerunner of widespread growth of teacher sponsored centres throughout Australia. Belief in the importance of teachers centres is not without substance. The editor of the ‘Teachers World’ in London wrote in the issue of 12th May 1972:

It is no overstatement to claim that the concept of the teachers centre is one of the most significant and positive ideas to have touched the professional lives of teachers during more than a century of state education.

The centre will survive without external grants but its potential will never be fully developed. A substantial injection of funds to assist in the first year of operation would enable it to provide quality services to its members. This would boost membership and its finances sufficiently to make the centre financially self-sufficient. I point out that the finances are derived from membership subscriptions of teachers and other people interested in education.

The Government’s stated policy of identifying and eradicating inequalities in education will be implemented in the centre’s programs. I believe that the teachers’ centre, where staff from all sectors—rural and urban; primary, secondary and tertiary; private and State—gather together is an excellent medium for perceiving areas of need and generating programs to cope with the problems revealed. I believe that a well-equipped centre could perform this role relatively cheaply. Duplication of resources by larger schools should be reduced by pooling in the centre expensive equipment which is not in continuous use. An example might illustrate the point. Teachers are increasingly aware of the potential of fixed camera units in producing their own colour slides photographed from magazines. As these devices would not be needed for daily use in any school, and could not be afforded by most schools in any event, it would surely be sensible for one such item of equipment to be housed in a centre after being purchased with funds levied on a per capita basis from all schools that would use the equipment. Thus the one-teacher schools in the district which could never justify the purchase of such an item would have access to it at a low cost. The large high schools would pay more towards its purchase but would use it more. The end result would be a piece of equipment, which might otherwise lie idle for months on end in a single school, being used regularly by a wide range of schools.

Apart from material inequalities, many schools suffer from needs of a human kind. The teacher in the isolated rural school is sometimes provided with plenty of hardware by a strong school committee. However, his isolation can leave him ill-equipped with ideas. Access to a centre’s activities, as well as its material benefits, would serve the rural teacher well. The centre will promote an active decentralisation of educational services and activities. There will be regular lectures for higher school certificate students and their teachers. Other lecture programs will bring well known educationists from the metropolitan area to speak to teachers and non-teachers. It should be pointed out that many country teachers are involved in courses to update their qualifications. They suffer hardships as a consequence. An example of this
might be appropriate. One teacher recently completed a Bachelor of Education degree at a metropolitan university. He has estimated that the cost to him was at least four times greater than it would have been for a counterpart in the metropolitan area. It is submitted that a good professional library in a centre might offset at least some of the disadvantages of being a country teacher trying to do a course.

The centre will promote community involvement in education and, if adequately funded, might later be available for adult re-training programs—for example, refresher courses for married women interested in returning to teaching and preliminary courses for persons wishing to become teachers. In conjunction with local officers of the Department of Labour, the centre will run courses or seminars for careers masters from regional schools. It will seek to provide careers information and guidance for students and adults. The centre could serve as a show place for equipment provided to schools by Commonwealth grants. It could serve the dual role of providing a place where the public could be informed of Commonwealth involvement and of providing teachers with functional equipment necessary for the operation of the centre.

I submit that this is a worthwhile project. I am pleased that the Minister for Education (Mr Beazley) is present in the chamber. I am sure that he appreciates the points I have made and has already had contact with the people concerned. I hope he will recognise the need for financial support. I know that the local teachers would appreciate it if he could visit them some time to look at the centre.

Mr BEAZLEY (Fremantle—Minister for Education) (10.55)—Firstly I should like briefly to answer the honourable member for McMillan (Mr Hewson). The honourable member will recall that I tabled the Cohen Report on teacher education in this House recently. I hope next week to be in a position to make a statement of Government policy on that report. The report deals with the training of teachers of the handicapped, with teachers' college libraries and many things like that. I am not in a position to make a statement about it at present; the matter is under consideration by Cabinet. I am interested in what the honourable member said.

The honourable member for Sturt (Mr Wilson) raised a number of questions. I gathered that the purport of his remarks was that the Schools Commission will be reporting at the end of this month but that there are immediate problems in education. We have not left the States waiting for the Schools Commission's report. The Prime Minister (Mr Whitlam) has announced to the States that the Government will be fully prepared to finance tertiary education next year and will release funds through the Schools Commission equivalent to what the States will be saving in not having to spend on tertiary education. In other words, they know that for other areas of education they will, from 1st January next, have an offer—this is the Commonwealth offer—at least $250m. This, under the terms of the Schools Commission charter, must be additional to existing expenditure. I must say that I expected this to be welcomed. The money will be in the form of grants under section 96. I can only say that if I recited the litany to certain State Ministers it would apparently reach their ears transformed into insults. Some of them have treated as an act of aggression our offer of this money. Having made it the ground of insult, especially in the case of Victoria, they have gone on in their election campaign to make promises on the basis of the money coming to them—money which they appeared to indicate they would not be willing to accept because they called it Commonwealth control when it will simply be grants under section 96. However, to answer the very important point made by the honourable member, the States have not been left guessing and waiting till the Schools Commission makes its report at the end of this month.

The honourable member should recognise that the Schools Commission will be dealing with 2 questions—private schools or non-government schools and government schools. The honourable member also will recall that the previous Government—his own government—made certain decisions which the present Government is honouring. Some of those decisions start operating on 1st July. The previous Government had a 5-year program for State schools of $167m. Spread equally over 5 years that represents $33.4m a year. On 1st July this money becomes available to the States.
We are maintaining the late Government’s legislation. For the private schools, $48m was provided over 5 years. This represents an average of $9.6m a year. The Dougherty Committee, which the late Government established, will be functioning for the year that commences on 1st July next, and the amount of $9m that the late Government envisaged going to the non-government schools will go to the non-government schools in that year. This is quite separate from anything that the Schools Commission will recommend. In the recurring grants range for the private schools, the position is that this year they will be getting what the late Government determined for them, namely, $104 a head for secondary school students and $62 a head for primary school students. They will get their second instalment of that on 1st July, so there is no pressure for these sorts of questions because continuity from the late Government’s policy is being maintained.

Mr SPEAKER—It being 11 o’clock, the House stands adjourned until 10 a.m. tomorrow.

House adjourned at 11 p.m.
ANSWERS TO QUESTIONS UPON NOTICE

The following answers to questions upon notice were circulated:

**Immigration: Papua New Guinea Residents**

*(Question No. 83)*

Mr Lynch asked the Minister for Immigration, upon notice:

(1) Will he admit to Australia any resident of Papua New Guinea for the purpose of permanent residence?

(2) If not, under what circumstances would admission be refused.

Mr Grassby—The answer to the honourable member’s question is as follows:

(1) Residents of Papua New Guinea do not as such have right of residence in Australia.

(2) Admission to Australia will continue to be dependant upon meeting the criteria for entry to this country.

**Commonwealth Departments and Authorities: Accommodation**

*(Question No. 174)*

Mr Garland asked the Minister for Services and Property, upon notice:

(1) How many buildings in each State are occupied by Commonwealth departments and Commonwealth authorities which are not owned by the Commonwealth?

(2) What is (a) the range of rentals paid and (b) the average rental paid in (i) each State and (ii) each Capital city.

(3) Which Ministers or departments occupy space in the building known as Australia Square Tower, and what is the annual cost for each Commonwealth tenant in the building.

Mr Daly—The answer to the honourable member’s question is as follows:

(1) The Department of Services and Property is not responsible for all occupancies by Commonwealth authorities in buildings not owned by the Commonwealth. Questions relating to such occupancies should be directed to the Ministers concerned. The numbers of buildings not owned by the Commonwealth but occupied by Commonwealth departments in each State are as follows:

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(2) (a) New South Wales—$0.18—$11.44 per sq ft; Victoria—$0.08—$11.14 per sq ft; Queensland—$0.22—$7.00 per sq ft; South Australia—$0.10—$10.30 per sq ft; Western Australia—$0.50—$5.50 per sq ft; Tasmania—$1.02—$5.48 per sq ft.

(b) (i) New South Wales—$2.71 per sq ft; Victoria—$2.47 per sq ft; Queensland—$2.13 per sq ft;

South Australia—$2.27 per sq ft; Western Australia—$2.61 per sq ft; Tasmania—$2.21 per sq ft.

(ii) Sydney—$4.46 per sq ft; Melbourne—$3.49 per sq ft; Brisbane—$3.04 per sq ft; Adelaide—$3.22 per sq ft; Perth—$3.12 per sq ft; Hobart—$2.92 per sq ft.

(3) The Minister for Services and Property—$14,850 per annum; the Department of Works—$911,625 per annum; the Postmaster-General’s Department—$19,524 per annum.

**Dental Treatment**

*(Question No. 433)*

Mr Street asked the Minister for Health, upon notice:

(1) Is it a fact that a considerable body of professional opinion is opposed to dental therapists treating children over the age of 12 or 13 years.

(2) Does the Government intend to persist with its plan to include children up to the age of 15 years in the school dental health scheme.

(3) What is the estimated number of dental therapists required in Australia if the age limit on children to be treated is (a) 12 years, (b) 13 years, (c) 14 years and (d) 15 years.

(4) On what research is the estimated number based.

(5) Will he make public the results of this research.

Dr Everingham—The answer to the honourable member’s question is as follows:

(1) Representatives of the Australian Dental Association have expressed the opinion that there could be opposition by dentists to the treatment by dental therapists of children beyond primary school age.

(2) Yes. The Government sees no reason to deny children aged 13 and 14 years the benefits of the regular dental care provided by dental therapists.

(3) Full coverage of children under the age of 15 years is anticipated by 1985. The estimated approximate number of dental therapists required throughout Australia at that time would be:

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a)</td>
<td>2,900</td>
</tr>
<tr>
<td>(b)</td>
<td>3,200</td>
</tr>
<tr>
<td>(c)</td>
<td>3,500</td>
</tr>
<tr>
<td>(d)</td>
<td>3,800</td>
</tr>
</tbody>
</table>

(4) The above estimates were based on official population projections, information supplied by the New Zealand School Dental Service and experience in the Australian Capital Territory and Australian States.

(5) Projections of the population of Australia are published by the Commonwealth Bureau of Census and Statistics, Canberra. Articles on the New Zealand and South Australian school dental services have been published in professional journals.
Civil Aviation: Western Australian Airports  
(Question No. 482)

Mr Whan asked the Minister for Civil Aviation, upon notice:

1. How many airfields in Western Australia are currently served by MacRobertson Miller Airline services using Fokker F28 aircraft?
2. How many of these airfields have gravel surfaces and runways of 100 feet or less in width?
3. What jet aircraft other than F28 have clearances to operate from 100 feet wide runways?
4. What restrictions normally apply on the operation of aircraft into and out of such airfields?

Mr Jones—The answer to the honourable member’s questions is as follows:

1. There are 12 airports served by MacRobertson Miller in Western Australia with F28 aircraft.
2. Only one of these airports has gravel runways. That airport also has a sealed runway 150 feet wide. Five of the airports have runways 100 feet wide and 2 of these also have runways 150 feet wide.
3. No other jet aircraft currently used in regular public transport operations in Australia are cleared for operations from runways 100 feet wide, although some general aviation jet aircraft do operate from such runways.
4. Insofar as runway surfaces and dimensions are concerned no special restrictions apply to F28 aircraft at the 12 airports served by MacRobertson Miller in Western Australia, except that operations are not permitted on gravel runways.